

Final Report

THE WILLIAMS GROUP REAL ESTATE ADVISORS, LLC

For

City of Rome, NY

Department of Community & Economic
Development

And CT Male Associates, Latham, NY

July 31, 2017

Table of Contents

Executive Summary

1. Understanding of the Situation

2. Goals and Objectives

3. Economics for Development

4. Demographics for Development

5. Real Estate Market for Development

- a. Multifamily, Single Family and Senior Housing
- b. Industrial Market including R&D
- c. Commercial Real Estate--Office Market
- d. Hotel/Extended Stay
- e. Retail Real Estate Market

6. Comparables for Development

7. Findings and Conclusion

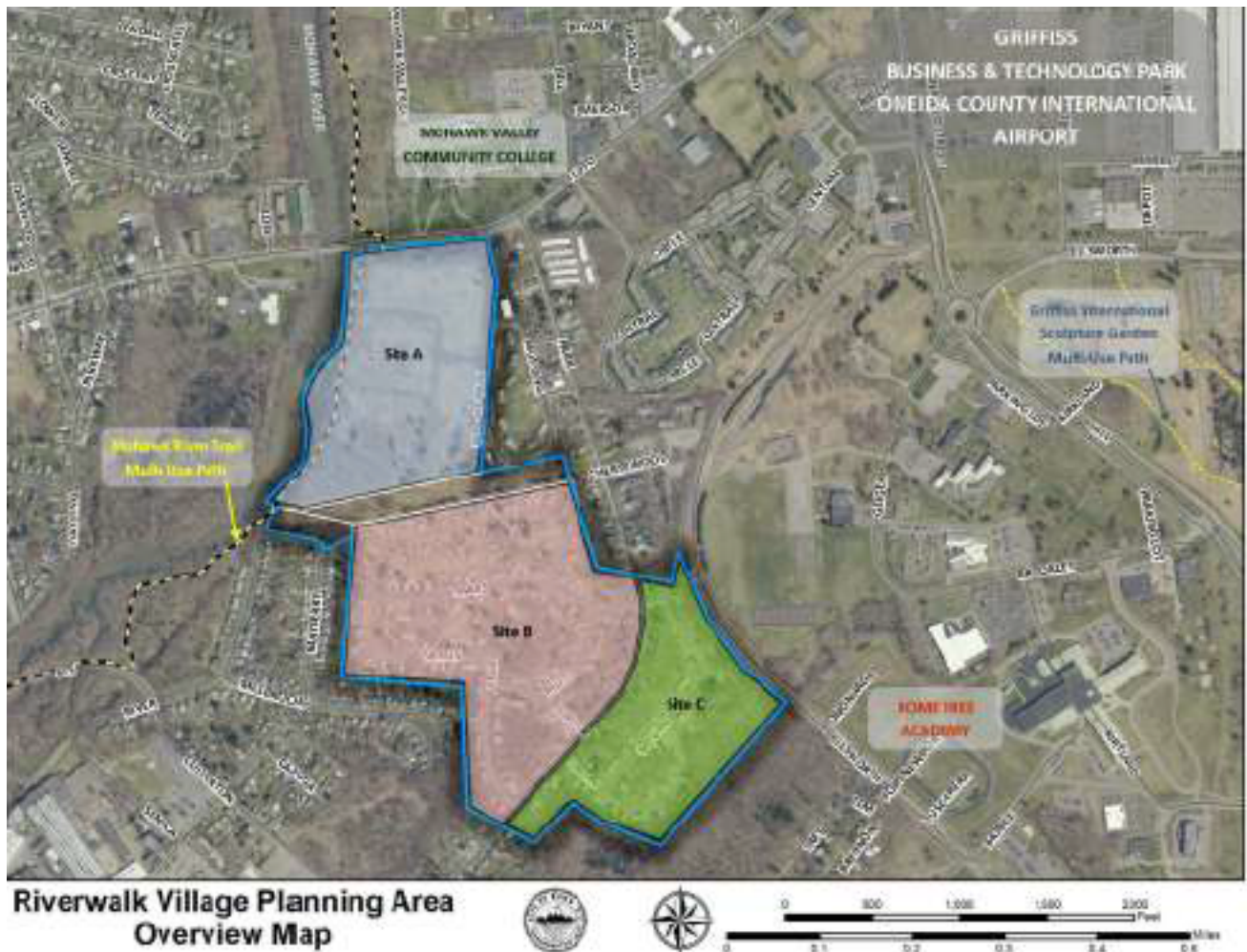
APPENDIX

- Interviews
- List of Figures
- Caveat and Limiting Conditions
- Testing Matrix (separate attachment)

Executive Summary

Understanding of the Situation

The City of Rome is seeking a Master Plan and Generic Environmental Impact Statement ("GEIS") for the revitalization and redevelopment of the former Woodhaven and Wright Park Manor sites ("Woodhaven Site") in the City of Rome located in upstate New York. The project area sits in context to the Griffiss Business & Technology Park ("GBTP") as well as East Rome. According to the Riverwalk Village Planning Area Map, there are three sites labeled A, B and C. Site A was a former public housing complex that now includes the Mohawk River Trail. All structures on Site A have been demolished. Sites B and C contain 140 structures that have been vacant for two decades and all structures are recommended for demolition. The Woodhaven Site or the Subject site, totals approximately 110 acres.



Goals and Objectives:

The overall strategy is to develop an implementation plan to revitalize the Woodhaven Site into a sustainable and attractive mixed-use development. The goal of the market analysis is to assist with the plan by developing a market supportable real estate program that includes sustainable mixed-use and advances smart growth principles including mix of land uses, range of housing opportunities, and is cost effective while encouraging community and stakeholder collaboration. The goal for the plan program is to create unique real estate opportunities, and attract a 21st Century work force while leveraging natural, cultural and historic resources specifically the Mohawk River Trail, Rome's urban forest and the historic Downtown Rome.

To assist with the objectives, the economics, demographics and real estate markets

were analyzed to identify a range of market supportable real estate options/opportunities to meet the objectives for the Woodhaven-Riverwalk Revitalization Site.

Approach:

The economic, demographic and market analysis was developed to provide a report that identifies supply and demand, financial viability and social economic impact of development alternatives and to develop a program that has complimentary market support.

Overview of Market Findings:

Economic Findings:

Overall the regional economy of Utica-Rome is growing, but lags behind the State of New York and the United States. According to the New York State Department of Labor, eight of the thirteen metro areas in the State of New York added private sector jobs over the last year (February 2016 to February 2017) at a faster pace than Utica-Rome. While growth is slow, it is a much brighter outlook for the region. The Mohawk Valley saw post war economic climate peak in the 1960's but it was followed by a steady decline with the exodus of manufacturing jobs, which were the staple of the economy. Fast forward to 2015, Mohawk Valley received a \$50Million set aside for regional projects to be determined with the objective to provide economic boost by building real estate, or educating the workforce to attract future employers with the targets being STEM, agribusiness and tourism.

The most significant recent addition to the local and regional economy of the Valley is the Marcy Nanocenter. While some recent job additions have not come to fruition, in the long term, it is expected that almost 5,000 jobs will be created in this industry.

Outside of the local casinos, the other major employment center of interest is the Griffis Business and Technology Park ("GBTP") which recaptured 4,500 jobs from the Griffis Base closure but still has significant growth opportunities, both in terms of actual space and job creation options, which could one day include the possible opening of the airport to commercial traffic.

The Woodhaven Site has close physical proximity and strong synergies with the GBTP. There are many engineering and tech job opportunities at GBTP but the inventory of housing to match the workforce is missing. Many of the highest salaried jobs are located here.

As such, there is an opportunity for new development at the Woodhaven Site to provide housing support to GBTP as well as some of the eventual new workers to Marcy. There are also some small and mid-sized commercial opportunities such as Makerspace and Co-working space that could leverage the jobs created at multiple locations by supporting innovation and incubation of industry.

Agribusiness combined with tourism is also something that the Woodhaven Site needs to consider. NYS has established the craft beer and beverages trails to promote tourism and local crafts. This commercial/economic potential can be converted to a real estate use that could be potentially complimentary to other program uses for the Woodhaven plan.

While the local Casinos are more regional in draw, they can provide tourism economic impact to Rome in a positive way. While hotels are generally supported by businesses, the casino overflow may support additional room demand. Retail and services that are positive for local residents also find support for additional square footage from visitors.

Demographic Findings: Overall, the demographics of the City of Rome as well as the region indicate a population that is on a slight decline but with household income that is approximately the same as the US averages. Again, where there is major disparity and limitations on economic development that are noticeable in terms of education with the local and regional population coming up short in terms of bachelor and higher degrees. While recent history and the decline in manufacturing may have signaled young and educated populations to leave the area, the Marcy and GBTP workforce hubs need the educated individuals. **The highly needed professional degrees demanded by most new technology jobs may require an influx of more educated people to the area if the job market grows in areas such as advanced manufacturing, tech-centers, tech-logistics, government unmanned aircraft system ("UAS") and flight systems.**

Once again, the opportunity appears to be in the development of housing and amenities that would be attractive to this educated workforce that may be living outside

of Rome where there may be interesting housing stock with urban and hip amenities.

Retail demographics for development is the analysis of the households, incomes and the overall amount of retail that is supported based on various driving distances from the Woodhaven site. Based on an estimated capture of spending income, this specialized demographic analysis provided support for additional retail at the Woodhaven site of up to 37,000 SF. This analysis does not suggest the type of retail, just the inventory.

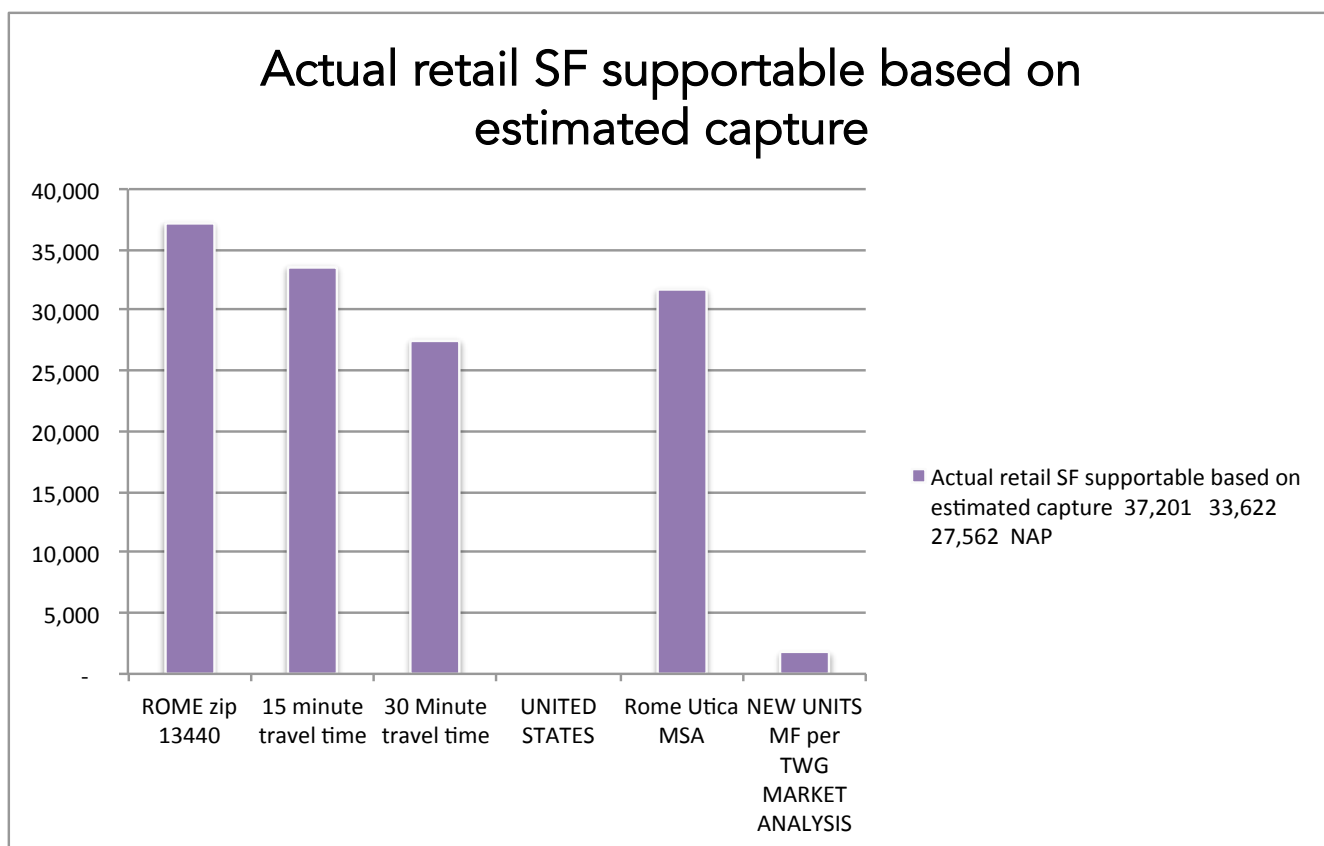


Figure 1: Retail demographics, with data provided by Nielsen Claritas

Real Estate Findings: In terms of real estate, the market data analysis suggests potential for additional product that includes the multi-family housing stock. This real estate category has the most real estate market data support of all real estate uses and is uniquely positioned to support economic development by adding inventory to support regional job creation.

Multi-family: There are two major sectors to residential, multi-family rental apartments

and single family/townhomes. Overall, the multi-family apartment rental is the most in demand nationwide and appeals to a demographic that Rome needs to attract, young college graduates and Millennials. Empty nesters are also a demand generator of the same products. The existing supply is very low on new, amenity rich, multi-family units. Demographics support new build. Meeting the needs of jobs created at Marcy and GBTP also supports new build out. In terms of existing supply, most of the existing supply is single family residential, and while older in stock, it is not the supply that is appropriate for a more commercial location, as Woodhaven, and will require significant infrastructure without the density to create economic development or support of significant retail. Therefore, the findings support at least 150 units of upscale amenity rich apartments, primarily based on demographic (population) and workforce capture and affordability, phased over time and another 50 clustered townhouses that would appeal primarily to the empty nesters and young families.

However, there is an issue that may be slowing housing and other development in Rome, and that is the higher property tax rate compared to neighboring towns. As such, many new multi-family developments are being built outside of the City line. In 2015, it was voted to freeze rates, with outside city mill rates at 13.37 per \$1,000 and inside rates at 20.07¹, which de-incentivizes new development in downtown. Clearly, as part of a new plan, some type of additional incentive structure matched to new and desired real estate should be considered. It should be recognized that there are some as of right incentives in place including the STAR program for existing homeowners (partial exemption from school taxes) and a senior's exemption under stated Real Property Law Section 425. There are also partial exemptions for 5 years and 10 years respectively for construction in a ESD or an Empire Zone under section 485 P and E. It was unclear if Woodhaven would benefit from these last 2 exemptions. However new MF housing may be eligible for sec 485-l exemptions, which are similar to STAR, but include school, city and county taxes.

Single Family Housing: Single family housing is highest in terms of existing inventory. The product requires the most land and yields the least number of households per acre. As such, in terms of meeting the demand of empty nesters and older households that are downsizing, the townhouse model is more favorable in terms of creating density and economic development while still meeting the desirability for a "single family" unit. Patio homes are a consideration for the older population as they offer one-level living,

¹ [Ocgov.net/real property](http://Ocgov.net/real%20property)

but do not yield the density of the townhouse.

Senior Housing: Senior housing is a broad category that includes independent housing, assisted housing, and continual care. In terms of independent and semi-independent housing, this market was considered. However, the affordability of the product and the demographics for the Rome submarket are not in synch. Most Rome demographics over 65 years do not match the cost structure of this housing (especially the single family model) and the high property taxes adds to creating a very high cost structure. Therefore, if the plan includes independent or semi-independent over 65 housing, it should be dense, as in a multi-family product to lower costs. Government financing assistance including low income housing tax credits, and lower cost government financing may be a means to include senior housing as part of the plan.

Hospitality: Based on the trends in the market and local ADR and occupancy rates, a new upscale extended stay hotel in close proximity to GBTP would be in demand in the range of 100 keys and with plenty of amenities including conferencing, pool, restaurant, fitness and access to trails and shuttles to GBTP.

Retail space: Retail real estate is interesting in terms of market support. Based on the demographic data, an estimated 27,000 to 37,000 SF of retail is supportable based on spending income. With an additional analysis of spending leakage, results suggested that there are certain unique categories that could be considered if programmed not to compete head on with the typical mall retail. An indoor/outdoor all season, large-scale farmers' market with specialty food and restaurants would be the most highly recommended. Convenience retail is needed to support the residential but also needed to create an active 24-hour environment , which is crucial. Given Rome's proximity to the Beer Trail and even wine trails, there could be a linkage between local pubs, grills and the State support of this unique and regional industry here in Rome. Nightlife, restaurant and pubs on site are essential ingredients to support the residents, and create a draw for visitors.

Commercial space: Office and R&D has some market support but clearly would be in direct competition to available space at GBTP where there is already significant R&D and office clustering. Therefore, no office or R&D is recommended for the Woodhaven site, except for Makerspace (linked to the local high school and community colleges) and Co-working space, as an office attraction for skilled workers and as a multi-family amenity. This space is in the range of 3,500 square feet each.

Other: In addition to the market-supported real estate, it is recommended that event generating uses be a supplement, such as a year round farmer's market. According to the city website, at this time, only a weekly farmers market is in use. A year-round permanent farmers market would be suggested as a way of generating visitation, and the market would appeal to the same residential audience that is being suggested for the Woodhaven site.

Other uses may also be complimentary such a trails, parks, and active recreational uses. While these uses are not part of a real estate analysis, they are amenities and complimentary to housing, retail amenities and commercial and can create an attraction on their own and will add value to the abutting real estate.

Conclusion: To compliment the discourse related to real estate supported by market and economics, two (2) distinct deliverables (see Appendix) were developed to aid the planning process. First, a summary program for the Woodhaven site arrayed by Live-Work-Play to distinguish between the residential market supported elements, the commercial real estate elements and the recreational amenities. The second matrix deliverable is an Options Testing Matrix which scores and ranks various themed programs by planning criteria, market criteria and other essential such as transportation, for example. This matrix was used to assist with the development of a short list of real estate program uses based on input from the public and stakeholders. The results strongly supported smart-growth market supportable uses and yielded low scores for other uses such as single-family housing, large-scale sports facilities and other considerations.

Comparables for Development: Finally, development comparables were analyzed for success stories and considerations. The comparables were geographically all located on the East Coast from near Boston, Massachusetts in the north to Williamsburg, Virginia in the south. The overall findings were that the most successful developments combined smart growth principles and include a mix of housing with density to support on-site retail while having amenities and quality of fit and finishes to support a targeted workforce, and fill a gap in existing housing inventory. Most also include a park and trails and some commercial space depending on market demand.

1. Understanding of the Situation

The City of Rome is seeking a Master Plan and Generic Environmental Impact Statement (“GEIS”) for the revitalization and redevelopment of the former Woodhaven and Wright Park Manor sites (“Woodhaven Site”) in the City of Rome, located in upstate New York. The project area sits in context to the Griffiss Business & Technology Park (“GBTP”) as well as East Rome. According to the Riverwalk Village Planning Area Map, there are three sites labeled A, B and C. Site A was a former public housing complex that now includes the Mohawk River Trail. All structures on Site A have been demolished. Sites B and C contain 140 structures that have been vacant for two decades and all structures are recommended for demolition. The Woodhaven Site or the Subject site, totals approximately 110 acres.

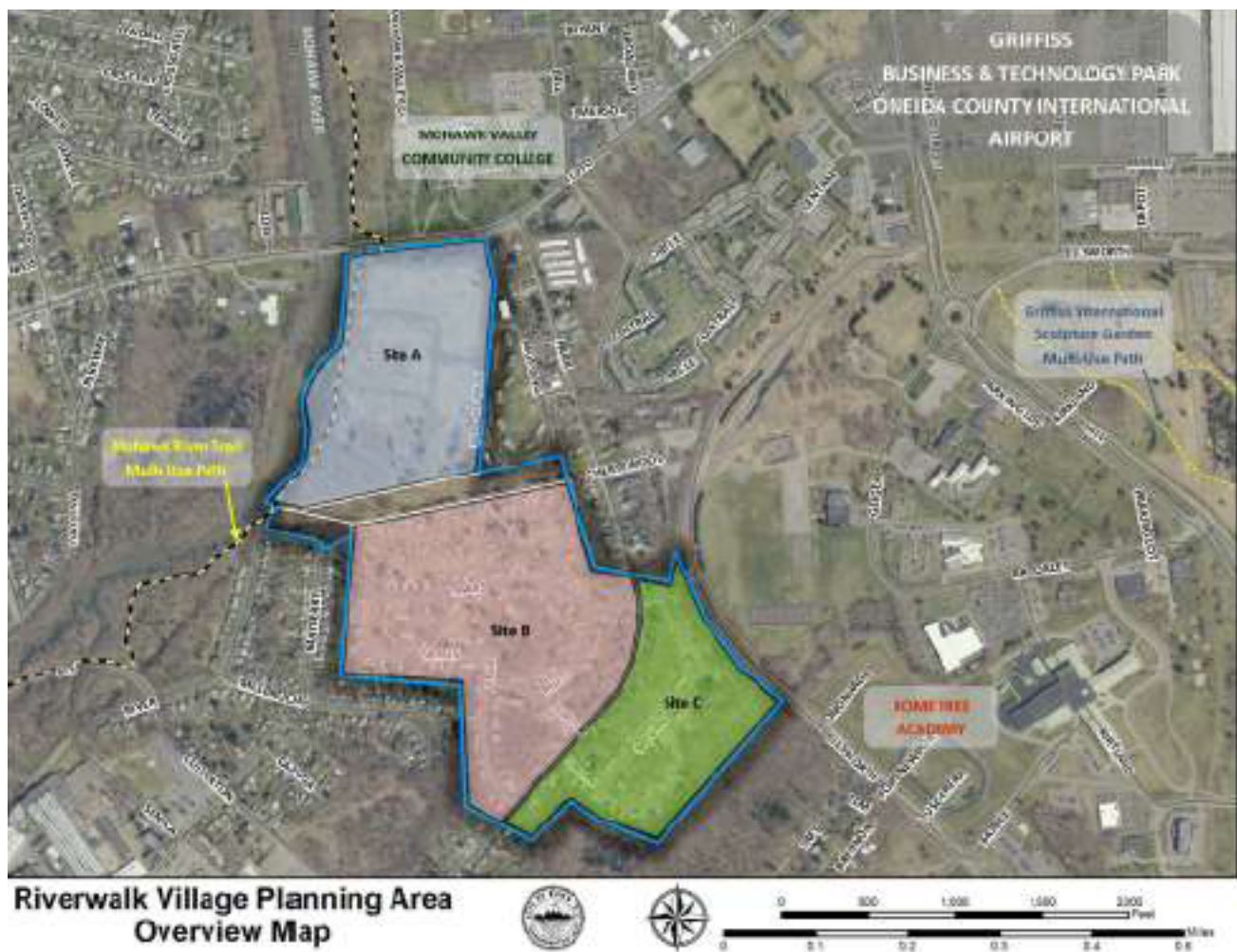


Figure 2: Planning Area—provided by City of Rome

2. Goals and Objectives

The overall strategy is to generate an implementation plan to revitalize the Woodhaven Site into a sustainable and attractive mixed-use development for this neighborhood, Woodhaven, in Rome, New York.

The goals include the elimination of blight and the development of a plan that offers sustainable mixed use revitalization that advances smart growth principles including a mix of land uses, a range of housing opportunities, is walkable, a strong sense of place, transportation choices, open space and is cost effective while encouraging community and stakeholder collaboration. The goal is for the development plan to align with regional strategies and create unique real estate and attract a 21st century work force while leveraging natural, cultural and historic resources - specifically the Mohawk River Trail, Rome's urban forest and the historic Downtown Rome.

To assist with the objectives, the economics, demographics and real estate markets were analyzed to identify a range of market supportable real estate options/opportunities that would complement the City of Rome's goals for the Woodhaven Site. Also issues were identified that need to be addressed and mitigated in order to support positive economic and real estate development. To that end, a top-down market analysis was performed that analyzes economics and real estate from the large market area then drills down to the sub-market where development is expected to occur.

The Williams Group Real Estate Advisors ("TWG"), as part of a team with C.T. Male, was asked to expand upon the data and information already assembled in the Downtown Rome & Erie Boulevard Brownfield Opportunity Area projects, so we have read and only as we deemed appropriate either updated or extracted data and findings found in the following reports prepared by Camoin Associates:

- *Real Estate Market Analysis: Erie Boulevard Brownfield Opportunity Area & the City of Rome*, November 2016
- *Understanding the Impacts in Rome of the Marcy Nanocenter Project*, September 2016
- *Medical Office Building Market Feasibility Analysis* Memorandum, November 11, 2016
- *Rome Turney Site – Financial Pro Forma Analysis* Memorandum, November 2016
- *Rod Mill Site – Financial Pro Forma Analysis*, Memorandum, November 2016
- *Strategic Site Financial Feasibility*, Undated

There were additional documents provided by the City of Rome regarding the Downtown Rome & Erie Boulevard Brownfield Opportunity Area, but they were deemed too old to be considered in our analysis.

Scope and Approach: The deliverable of the economic and market analysis is to provide a report that identifies supply and demand, economic viability and social economic impact of development alternatives.

3. Economics for Development

State of New York

The overall economy of the State of New York is strong. Private sector jobs have increased to their highest level while unemployment is at its lowest. The New York Department of Labor stated that in February 2017, private sector jobs in the State climbed to a record high level of 8,035,600. Over one million private sector jobs (seasonally adjusted) have steadily been added since the end of the recession in the latter part of 2009.

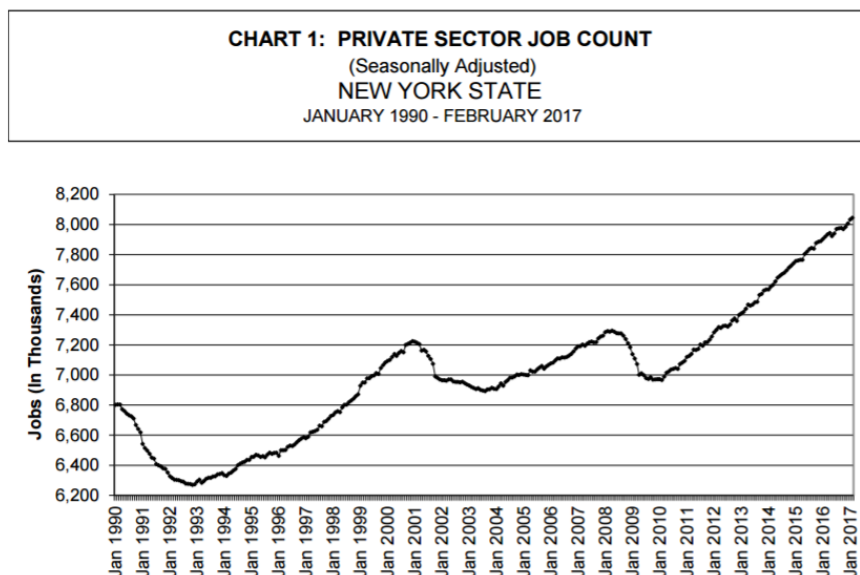


Figure 3: Private Sector Jobs Count, New York State

Source: NY Department of Labor; <https://www.labor.ny.gov/stats/pressreleases/overview.pdf>

An overview of the State of New York shows the percent change in Total Nonfarm and Private Sector Jobs by Area from February 2016 to February 2017². The Utica-Rome Metro area, which includes the counties of Oneida and Herkimer, saw a change of 0.7% for Nonfarm (Private Sector and Government) Jobs, growing at a rate that is slower than the State of New York of 1.4% and the United States of 1.7%. Similarly, Utica-Rome showed a 1.1 % increase over the same time frame for just Private Sector Jobs, growing at a rate that is also slower than the State

² labor.ny.gov, Labor Statistics for the Mohawk Valley Region

of New York of 1.6% and the United States of 1.8%.

Change in Total Nonfarm and Private Sector Jobs
February 2016 – February 2017

	Change in Total Nonfarm Jobs: (private sector + government)		Change in Private Sector Jobs:	
	Net	%	Net	%
United States	+2,352,000	+1.7%	+2,144,000	+1.8%
New York State	+130,900	+1.4%	+121,100	+1.6%
Albany-Schenectady-Troy	+7,200	+1.6%	+5,800	+1.6%
Binghamton	+500	+0.5%	+300	+0.4%
Buffalo-Niagara Falls	+7,000	+1.3%	+5,400	+1.2%
Dutchess-Putnam	-200	-0.1%	-200	-0.2%
Elmira	-600	-1.6%	-600	-2.0%
Glens Falls	+1,500	+2.9%	+900	+2.1%
Ithaca	+1,600	+2.5%	+1,700	+3.1%
Kingston	+600	+1.0%	+500	+1.1%
Nassau-Suffolk	+30,600	+2.4%	+27,100	+2.5%
New York City	+63,600	+1.5%	+62,000	+1.7%
Orange-Rockland-Westchester	+7,900	+1.1%	+6,500	+1.1%
Rochester	-1,400	-0.3%	-1,200	-0.3%
Syracuse	+3,700	+1.2%	+3,000	+1.2%
Utica-Rome	+900	+0.7%	+1,000	+1.1%
Watertown-Fort Drum	+700	+1.7%	+800	+2.8%
Non-metro Counties	+2,600	+0.5%	+3,400	+0.9%

Figure 4: Change in Total Nonfarm and Privates Sectors Jobs New York State

Source: New York Department of Labor; <https://labor.ny.gov/stats/pressreleases/pruistat.shtm>

An analysis of the Change in the Number of Nonfarm Jobs by Industry for the State of New York indicates that Education and Health Services jobs are the largest segment at 2,018,000 as of February 2017; followed by Trade, Transportation and Utilities at 1,549,000, and then Government at 1,458,000. Education and Health Services as well as Professional and Business Services have shown the highest growth at over 3 percent between February 2016 to February 2017. On the other hand, Manufacturing has shown the largest loss averaging 2.7% for the same time frame.

According to the New York State Department of Labor, eight of the thirteen metro areas in the State of New York added private sector jobs over the last year (February 2016 to February 2017)

at a faster pace than Utica-Rome.

**Table 2. Number of Nonfarm Jobs By Industry
New York State
(In Thousands, Not Seasonally Adjusted)**

Industry	February 2017	February 2016 (R)	Change to February 2017 from:	
			February 2016	
			Net	%
Total Nonfarm	9,353.9	9,223.0	130.9	1.4%
Total Private	7,895.3	7,774.2	121.1	1.6%
Goods Producing	783.8	795.0	-11.2	-1.4%
Natural Resources & Mining	4.5	4.5	0.0	0.0%
Construction	341.1	340.3	0.8	0.2%
Manufacturing	438.2	450.2	-12.0	-2.7%
Durable Goods	252.6	263.3	-10.7	-4.1%
Non-Durable Goods	185.6	186.9	-1.3	-0.7%
Service-Providing	8,570.1	8,428.0	142.1	1.7%
Trade, Transportation, and Utilities	1,549.2	1,544.5	4.7	0.3%
Wholesale Trade	337.6	337.8	-0.2	-0.1%
Retail Trade	923.8	921.6	2.2	0.2%
Transportation, Warehousing, and Utilities	287.8	285.1	2.7	0.9%
Information	266.6	261.8	4.8	1.8%
Financial Activities	707.4	706.6	0.8	0.1%
Professional and Business Services	1,299.5	1,257.4	42.1	3.3%
Education and Health Services	2,017.6	1,950.9	66.7	3.4%
Leisure and Hospitality	866.6	857.7	8.9	1.0%
Other Services	404.6	400.3	4.3	1.1%
Government	1,458.6	1,448.8	9.8	0.7%

Note: Data are subject to revision. R=Revised. Net and % changes based on rounded data.
Source: New York State Department of Labor, Division of Research and Statistics, 518-457-3800.

Figure 5: Number of Nonfarm Jobs by Industry, New York State

Source: New York Department of Labor; <https://www.labor.ny.gov/stats/pressreleases/prtbjd.pdf>

Additionally, New York State's unemployment rate fell to 4.4% as of February 2017, the lowest it has been since 1976. If the City of New York is separated from the rest of the State, the unemployment rate of New York City is 4.3% and the remainder of New York State is 4.6%, both below the United States' unemployment rate of 4.7% as of February 2017.

Unemployment Rates (%)*			
	February 2017*	January 2017	February 2016
United States	4.7	4.8	4.9
New York State	4.4	4.6	4.9
New York City	4.3	4.5	5.3
NYS, outside NYC	4.6	4.6	4.5

*Data are preliminary and subject to change, based on standard procedures outlined by the U.S. Bureau of Labor Statistics.

Figure 6: Unemployment Rates for New York State compared to the United States

Source: New York State Department of Labor; <https://labor.ny.gov/stats/pressreleases/pruistat.shtm>

Mohawk Valley Region

The City of Rome is located in the Mohawk Valley; an area situated along the Erie Canal between Albany and Syracuse, and is comprised of six counties, including Fulton, Herkimer, Montgomery, Oneida, Otsego and Schoharie. Historically this region has successfully adapted with changing industry trends. Early manufacturing of textiles and leather gave way to defense manufacturing during World War I and II. Post war, manufacturing continued in radar, defense and consumer electronics, aerospace and machine tools. But after its climax in the 1960s, the Mohawk Valley saw a steady decline with the exodus of manufacturing jobs being outsourced or moving to lower-cost markets, and companies that dwindled as they could not stay at the forefront of their industries. As the manufacturers left, so did skilled and educated labor in search of more favorable employment opportunities, leaving the Mohawk Valley and specifically Rome. Some examples of loss include³:

- The Griffiss Air Force Base located in Rome was closed in 1995, losing 4,500 jobs.
- Lockheed Martin (formerly GE Aerospace) closed its location in Utica

The Mohawk Valley, as well as other regions in upstate New York, joined “The Rust Belt” given the evident decline in their economies and shrinking population with increase in urban decay, blight, contaminated land and abandoned industrial buildings. Fortunately, in 2015, the State of New York implemented the Upstate Revitalization Initiative (URI). Mohawk Valley obtained a \$50 Million set aside with objectives to boost the economy in the fastest manner, whether it be in building real estate or educating a work force, to attract future employers. However, the

³ Source: *Sparkling Transformation Mohawk Valley REDC Upstate Revitalization Investment Prospectus*

exact fund distribution has yet to be determined. The targeted industries include STEM intensive industries, Agribusiness and Tourism.⁴

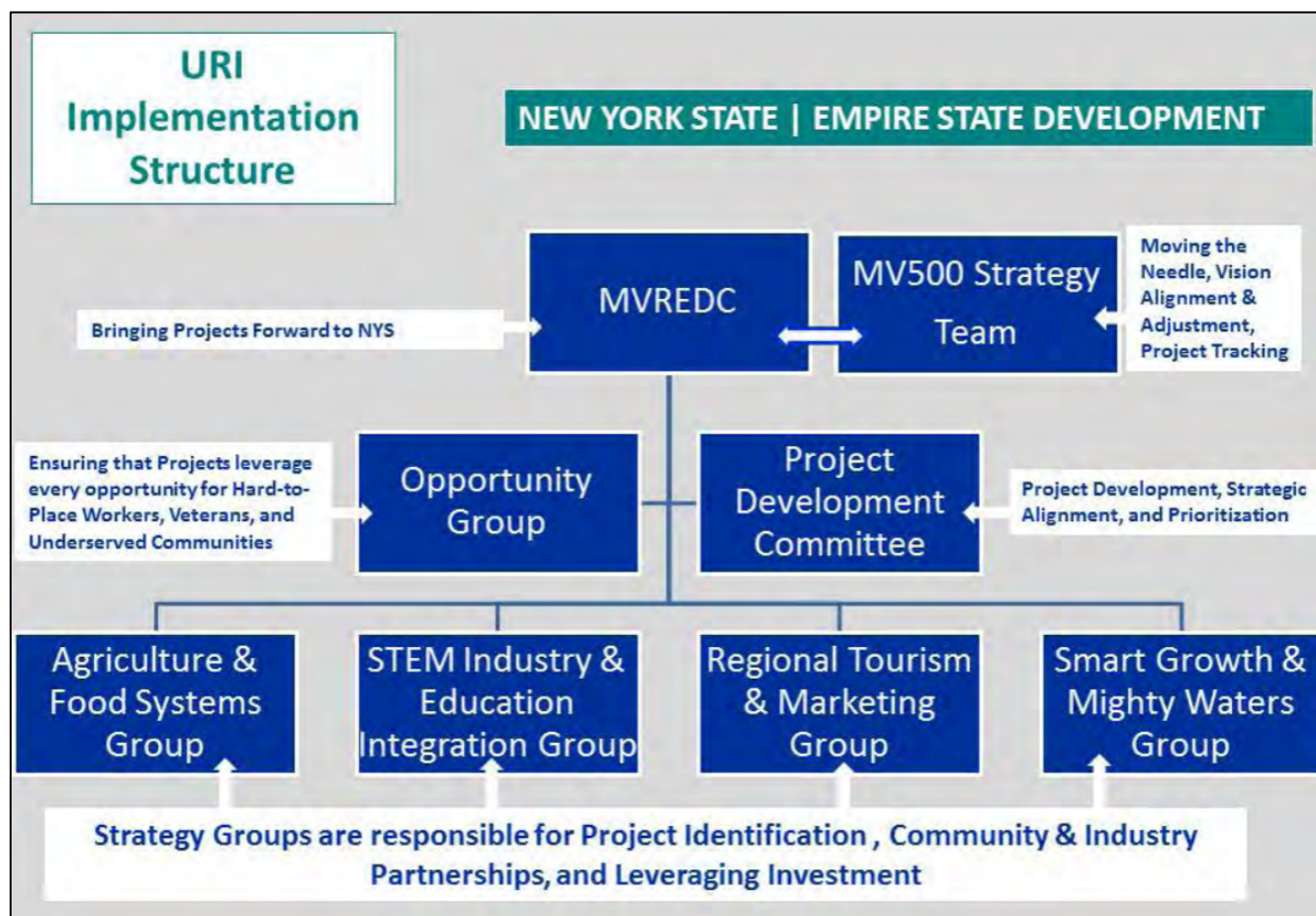


Figure 7: Organizational and responsibility structure for Community Partnerships and Investment in NYS
Source: Sparking Transformation Mohawk Valley REDC Upstate Revitalization Investment Prospectus;
https://www.ny.gov/sites/ny.gov/files/atoms/files/MVREDC_URI_FinalPlan.pdf, p. 155

Other state-funded initiatives are also in place, so the opportunity for reinvigorating the economy of the Mohawk Valley does have support and backing.

STEM: Marcy Nanocenter

The 450-acre Marcy Nanocenter site is the most significant STEM project in the Mohawk Valley

⁴ Ibid

Region and in proximity to the City of Rome. The Nanocenter site, located approximately 15 miles southeast from the Woodhaven Site, is planned for three semiconductor facilities and is estimated to eventually add 4,000 to 5,000 direct jobs. In December 2016, AG ("AG"), an Austrian semiconductor fabrication company, decided to pull out of their commitment to build and occupy the center, but the infrastructure improvements continue so the site will be shovel ready. With its readiness and incentives funding available, the Nanocenter site will be an attractive alternative for technology firms searching for a place to build.⁵ Adjacent is the Computer Chip Commercialization Center (Quad-C), which is expected to open May 2017. GE plans to start production in 2017 with a focus on advanced electronics packaging. An addition of 500 jobs in the next five years and 350 more by year ten is anticipated.⁶ Danfoss Silicon Power has recently announced that it will be establishing a presence at Quad-C, in partnership with General Electric.⁷

AGRIBUSINESS AND AGRITOURISM:

An initiative of New York State is to promote visitor spending in the Mohawk Valley Region by encouraging visitors to experience craft beers from the agricultural ingredients to the sampling of the product, as one aspect of its Agribusiness, and in this case, what's termed as Agritourism.⁸ Specifically Brew Central, the marketing campaign, is to increase awareness of craft brews in the Mohawk Valley Region as well as hard cider, spirits and wine.⁹ Although this is not a stated focus of the City of Rome, one micro-brewery, Copper City Brewery, opened at 1111 Oneida Street in Rome in the Fall 2016¹⁰, is already located on the New York Beer Trail¹¹ and could be a starting place to increase tourism to the area, alongside other breweries in Utica. The Adirondack Craft Beverage Trail is primarily focused on micro-breweries located up and down along the Hudson River to the east of Rome¹² and the Finger Lakes Beer Trail is to the west.¹³ A linkage between these two established trails could include breweries located in Rome and Utica as a way to increase visitation to the area. These types of establishments are also of interest to the Millennial demographic group.

⁵ Source: Mohawk Valley Edge 2016 Annual Report and Marcy Nanocenter Website (<http://marcynanocenter.com/>)

⁶ Source: Observer-Dispatch, *Quad-C Getting Close to Completion*, March 8, 2017

⁷ Source: Solar Industry, *Danfoss To Set Up Power Module Shop in N.Y., Partner with GE*, March 28, 2017

⁸ Source: *Sparkling Transformation* Mohawk Valley REDC Upstate Revitalization Investment Prospectus, pp. 77-80

⁹ Ibid

¹⁰ Source: Rome Sentinel, *Craft Brewers set to Open Shop in Rome*, March 28, 2016

¹¹ Source: The New York State Beer Trail (<http://newyorkcraftbeer.com>)

¹² Source: The Adirondack Craft Beverage Trail and Map, <http://adkcrafterbev.com/>

¹³ Source: The Finger Lakes Beer Trail, <http://fingerlakesbeertrail.com/content/>

TOURISM:

Rome is located in the foothills of the Adirondacks, in Oneida County. Oneida County Tourism does a thorough job at advertising the visitation and destination opportunities for the region. In the winter, snowmobiling and trails are very popular recreational activities in the area whereas activities such as outdoor hiking and hunting are four-season sports. There are also a number of nearby trails including at the Delta Lake State Park and the Erie Canalway Trail which will be connected by the Mohawk River Trail now entering Phase II of III.

The Erie Canal has significant destination potential but has yet to fully reach its tourism and visitation possibilities due to the overall length of the canal itself and in many cases, either the lack of access or the hindrance of obsolete industry or blighted structures near the canal. In some way or form, the estimated 300-mile Erie Canalway Trail (plans for the State to complete the full trail were announced recently) extends from Albany to the southeast to Buffalo to the west, generally following the Erie Canal.¹⁴ This trail is less than 1.5 miles from Woodhaven Site and offers a potential unique amenity to local residents and businesses. Currently, the full potential of outdoors offering, trails and natural assets is not being fully exploited for tourism in Rome. Also along the canal is Fort Stanwix, a national register historic place, which was built in 1758 and is located in Rome. It recently posted an annual visitation of 86,000 visitors providing \$6.4 Million in local economic benefit.¹⁵

Casino Tourism

Much effort appears to be focused on gaming as a major destination in the Mohawk Valley Region, and specifically, the Utica-Rome vicinity. It is reported in 2006, from a number of sources, including High Beam Research (Dec 2006), that local casinos attracted 4.5 million visitors, most of who come from the surrounding areas, typically within a 75 miles drive time¹⁶. Two major casino attractions are located in Vernon, NY and are in close proximity to Rome: 1) Turning Stone Casino and Resort ("Turning Stone") (15 miles southwest of the Woodhaven Site) and 2) Vernon Downs Casino Hotel which also includes Vernon Downs Harness Racing ("Vernon Downs") (16 miles southwest of the Woodhaven Site). According to Union Gaming Analysis (June 2014), Turning Stone provided 6,100 local jobs and has approximately 23% of

¹⁴ Source: New York State Canal Corporation (<http://www.canals.ny.gov/trails/about.html>)

¹⁵ www.nps.gov/fost/index.htm

¹⁶ Union Gaming Analytics, Final Report, June 2014 and Gaming Market Assessment, June 6, 2014, www.gaming.ny.gov

the gaming market within two hours. It is the dominant player with revenues of \$280M and is the leading local visitor attraction. Turning Stone is primarily slots and tables. Vernon Downs market share is slipping and is somewhere between 2% and 5% and provides primarily racing venues. Compared to Turning Stone, it is struggling with revenues around \$44Million in 2013¹⁷. In April 2017, Vernon Downs, which is operating at a loss of \$150,000 per month announced it is not opening its race track venue as the track is not profitable and the resort is hoping the State of New York will offer some relief, although that has not yet been the case.¹⁸

Both Turning Stone and Vernon Downs are regional market casinos and gaming destinations with almost all of the visitors from within a two-hour drive time. Visitors to these destinations typically stay at the accompanying hotels at the respective properties and local Vernon market, but in some cases visitors will stay in Rome when there are no rooms available in the Vernon hospitality market (termed “overflow demand”).

It has also been reported that the casinos have had financially better years but they are working on creating more of an attraction and a family destination with the addition of potential outlet malls and recreational activities as described in the next section. Nevertheless, while the tourism and casinos offer economic opportunities which may positively impact Rome and the region, it is expected that any type of proposed hospitality venue at the Woodhaven Site would only gain minimal occupancy overflow, as most activity and rooms stays will be at the casino hotel properties. A new hotel product at Woodhaven needs to support occupancy primarily based on business traveler usage, especially during weekdays and possibly casino overflow on the weekends.

Turning Stone Resort & Casino

The most significant tourism hospitality venue in proximity to the City of Rome is the Turning Stone Resort & Casino located in Vernon, NY. The 125,000 square foot casino is adjacent to the 285-room Tower Hotel and offers amenities such as outdoor and indoor golf and tennis, nightly entertainment, etc. A \$20 million renovation is currently underway at the casino and hotel. Nearing completion, an estimated \$12 million is being spent to upgrade the casino including six new casual fast-food restaurants in the Food Hall. Another \$8 million will be spent to renovate all 285 rooms at the Tower. The renovations are underway and not expected to be completed until 2018.

¹⁷ IBID

¹⁸ Source: Blood Horse, *Harness Track Vernon Downs Feeling Pinch from Casinos*, April 13, 2017

Additionally, there is another plan for a \$400 million, 60-store retail indoor outlet mall being developed at the property. The outlets would include unique labels to the area, that have only been found in major urban centers such as New York and Los Angeles as well as entertainment such as a six-screen movie theatre and luxury bowling alley.¹⁹ Partnering with the Oneida Indian Nation is the Gordon Group, the owners of the Turning Stone Resort & Casino, who are claimed to have delayed the construction from 2014 due partly to softness in the retail market. But as of August 2016, per the Observer-Dispatch, the Gordon Group was still pursuing the project and hoped to break ground by Spring 2017. The development is reported to add an estimated 1,100 retail jobs and 500 to 600 construction jobs.²⁰ Given the growing market share of Amazon and online shopping, the prospect for a large-scale retail may be at risk unless the retail is primarily focused on visitor entertainment. To date, there is no indication that construction of the outlets has begun.

The economic overview of casinos, and their associated hotels, is to enhance the understanding of visitation and hospitality market drivers in Rome. Generally, there are two hotel demand drivers, tourism and business. As such, the subsequent analysis of the hotel real estate market at the Woodhaven Site will focus primarily on business as a demand driver with minimal expected potential overflow for casino and tourism. Given the distance to the casinos at 16 miles, it is unlikely, except during a major event or seasonal overflow, that an analysis could rely on any significant occupancy from casinos to support a hotel. Therefore, the major analysis for hospitality will consider businesses occupancy and Rome-specific tourism demand.

¹⁹ Source: *Sparkling Transformation* Mohawk Valley REDC Upstate Revitalization Investment Prospectus p. 98 https://www.ny.gov/sites/ny.gov/files/atoms/files/MVREDC_URI_FinalPlan.pdf

²⁰ Source: Oneida-Dispatch, *Turning Stone Outlets Still Envisioned*, August 23, 2016



Figure 8: Turning Stone Casino, Verona, NY

Rome and the Griffiss Business and Technology Park ("GBTP")

The impetus for change in the City of Rome is centered around the adaptation of Griffiss Air Force Base into the Griffiss Business and Technology Park ("GBTP"). The speculation for an improved and vibrant economy in Rome has been based on the creation of jobs through new STEM employers and the expansion of its existing businesses. Within a few years of opening in 1995, GBTP has recaptured the 4,500 employees it lost from the Base closure but the expectation is that the GBTP has ample room to grow significantly more.²¹

GBTP is located less than one mile east of the Woodhaven Site, on the eastern side of Rome. GBTP is comprised of 3,500 acres that includes the Griffiss International Airport (also designated the Oneida County Airport), which offers customs at its newly constructed international terminal building. Although not open to commercial passengers, GBTP is unique in that it is easily accessed by air, highway, rail and canal to major trade destinations within the US and Canada. State Routes 825, 365, 46 and 49 connect GBTP to three interchanges on the

²¹ Source: archive.defense.gov/brac/docs/oeabro02.pdf and www.syracuse.com/news/index...drum_griffis_air_force_b.html

New York Thruway, Interstate 90. Currently the final stretch of Route 825 nearing GBTP is being expanded into a four-lane highway to improve accessibility.²²

GBTP is divided into seven development districts:²³

1. Park Center: Location of the Air Force Research Laboratory, the largest employer at GBTP with approximately 1,200 employees, and other private sector companies (180 acres)
2. Technology Heights: High-tech industry and tenant space (100 acres)
3. Enterprise Way: Industry and Distribution with rail infrastructure (400 acres)
4. Campus Green: Conference, educational and training spaces (142 acres)
5. Skyline Summit: Executive Office Park (126 acres)
6. Mohawk Glen: 9-hole public golf course, health center and recreational facilities
7. Aviation Gateway: Griffiss International Airport including a 2.23-mile runway, 560,000 square yards' ramp space, landing systems, weather sensors, air traffic control center, and space for new hangars and warehouses and international terminal (1,656 acres)

Within GBTP, incentives are offered for relocation and expansion, including Empire Zone tax incentives, zoned sites for immediate development, small business development assistance and private/public sector cooperation.

As of December 2016, 79 businesses occupied GBTP, employing 5,784 workers.²⁴ Currently, GBTP has 401 acres available within seven distinct land parcels, ranging from 6 to 210 acres. Additionally, a total of 340,000 square feet are available within three existing commercial buildings, yet these properties are not located on the GBTP property.²⁵

Based on conversations with representatives from the Griffiss Local Development Corp ("GLDC"), the park is unique relative to other business parks in the area as it offers amenities

²² Source: Rome Sentinel, *Work begins on \$8.85M expansion of Route 825 on Griffiss Park*, Sept. 17, 2016

²³ Source: Griffiss Business and Technology Park website (<http://www.griffissbusinesspark.com/>)

²⁴ Source: Mohawk Valley Edge, 2016 Annual Report, p. 6

²⁵ Source: Griffiss Business and Technology Park website (<http://www.griffissbusinesspark.com/>)

such as the pedestrian trail, beautiful sculptures, 9-hole golf course and overall care of the facility and grounds to make it feel more like a Google campus and be an attractive alternative to high-tech users.

Employment at GBTP has grown, but at a slower rate than expected. This data was confirmed by the GLDC as they indicated that business leads have been slow and companies relocating from outside of Rome have not committed to GBTP for a number of years. For example, in 2016, even though Kris Tech Wire chose to move into a new 45,000 sf facility at GBTP, they were originally located about one mile away in Rome, so no new net employment was gained in the City of Rome. Committed new projects for 2017 include new construction of a Stewart's Shops convenience store on 2 to 3 acres of the 25-acre site of Building 240 once the infrastructure is put in place with an interior access road. Building 240 was recently demolished and is located across from the Hampton Inn and adjacent to Mohawk Valley Community College ("MVCC"). State Route 825, which is the last stretch of two lanes, will be transformed into a 4-lane roadway as it is for the rest of its route, creating better access to GBTP. It is currently under construction. But the market is slow to draw commercial interest to GBTP. Many technology employers allow telecommuting so it may be unnecessary for companies to purchase, lease or develop a bricks and mortar space. GBTP is offering small suites for startup companies to rent space on flexible basis to allow businesses to get established and hopefully decide to move into larger spaces in the center. Of the six suites offered last July, five are currently occupied.²⁶

GBTP's Griffiss International Airport was one of six national sites selected by the government to test unmanned aircraft systems ("UAS") under the direction of Northeast UAS Airspace Integration Research Alliance ("NUAIR"). On July 13, 2016, the U.S. Senate reauthorized the UAS test site designation for three more years. GBTP is capitalizing on this distinction by training students at MVCC to gain a degree in UAS technology and support the workforce needed. Griffiss has also installed a "Test Bed" range instrumentation system to support the development of a Sense and Avoid system. This capability enables Griffiss to have a competitive advantage over the other test sites, with hopes to ensure its continued designation.²⁷ The Deputy Commissioner of the airport was unable to provide detailed information on further status or future of the UAS or other airport-related initiatives given the proprietary nature of that information. However, he did state that the facilities relating to the

²⁶ Source: Frank Acruri, Senior Vice President, Mohawk Edge; and Griffiss Land Development Corp, 2016 GLDC Year in Review (<http://www.callmohawkvalleyhome.org/documents/1477.pdf>)

²⁷ Source: Mohawk Valley Edge, 2016 Annual Report, p. 7

air systems were fully occupied.²⁸

Number of Employees at Griffiss Business and Technology Park

Year	Number of Employees
2016	5,784
2015	5,700
2014	5,720
2013	5,800
2012	6,200
2011	5,800
2010	5,500

Figure 9: Number of Employees at GBTP 2010-2016

Source: Griffith Land Development Corp Annual Reports for the years 2010-2016

Many of the businesses located at GBTP offer some of the highest salaries in Rome. For example, Airforce Laboratories which is the largest tenant at GBTP issued a Fiscal Year 2015 Economic Impact Analysis Report. In the report, it was stated that Airforce Laboratories employed 1,219 total personnel (Appropriated Fund Military, Appropriated Fund Civilians, and On-Site Contractors) who averaged an annual payroll of \$114,500 per person.²⁹ Similarly, many of the technology-related positions of employees at GBTP have high paying salaries so, in turn, have a higher probability of being able to afford more expensive housing. Perusing internet sites such as indeed.com for job listings in Rome yielded ample listings for computer and technical positions offering strong salaries. Capturing some of these higher paid workers with targeted housing and amenities is one of the real estate market goals for Woodhaven.

5. Demographics for Development

Overall, there are two main goals for the demographic analysis:

1. To determine the demographic snapshot of Rome, NY and how demographics affect

²⁸ Source: Chad Lawrence, Deputy Commissioner, Oneida County Airport

²⁹ Source: Airforce Laboratories, FY 2015, Information Directorate Economic Impact Analysis

development; and

2. To analyze the demographics of the larger market to the Rome sub-market and determine how demographics affect development, including the pool of available labor to support local business.

The analysis of Rome demographics was based on three geographic areas surrounding the Woodhaven Site. They include Rome's zip code and both a 15-minute and 30-minute drive time analysis area as pictured in Figures 10 through 12:³⁰

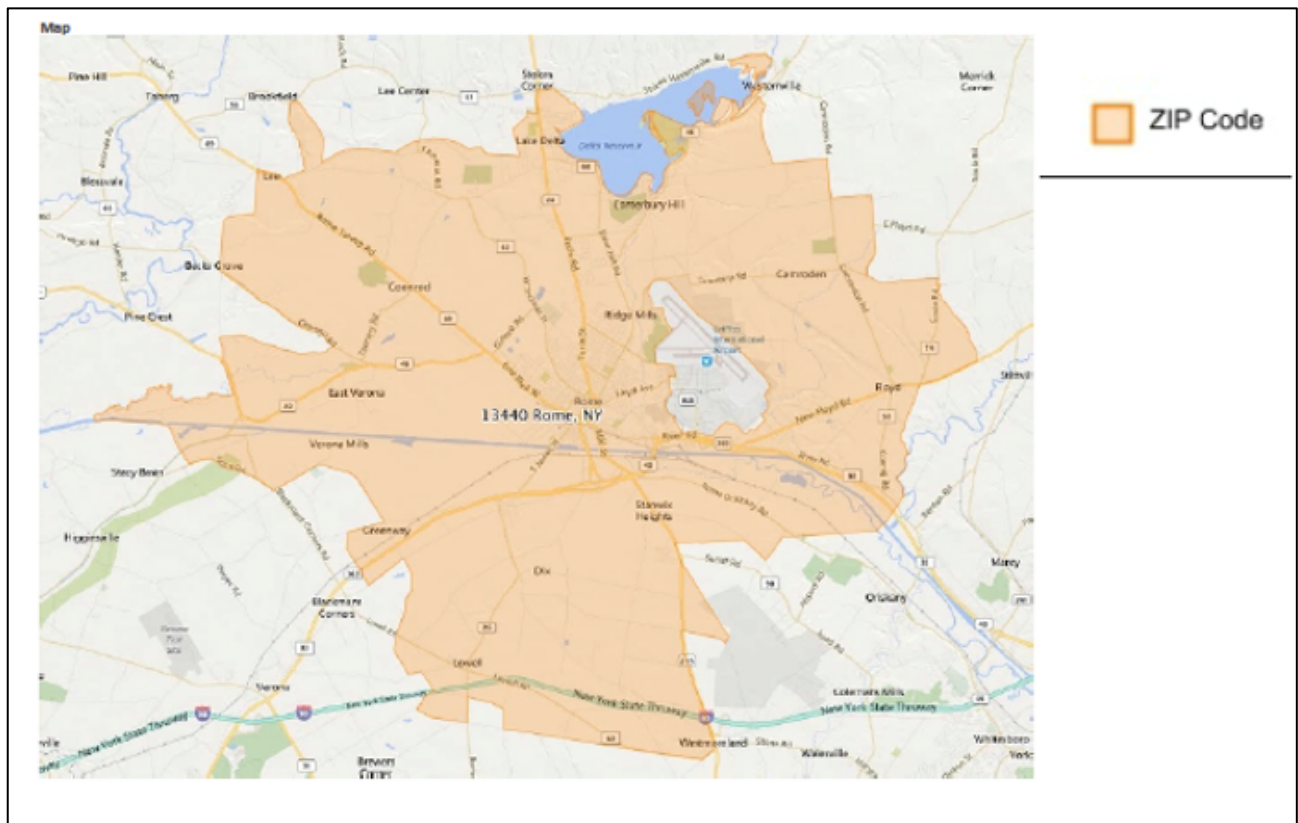


Figure 10: Map of Demographic Analysis Rome Zip Code

Source: Claritas, March 2017

³⁰ Nielsen/Clarita's 2017, Area Map for zip code, 15-minute and 30-minute radii used in demographic data download (February 2017)

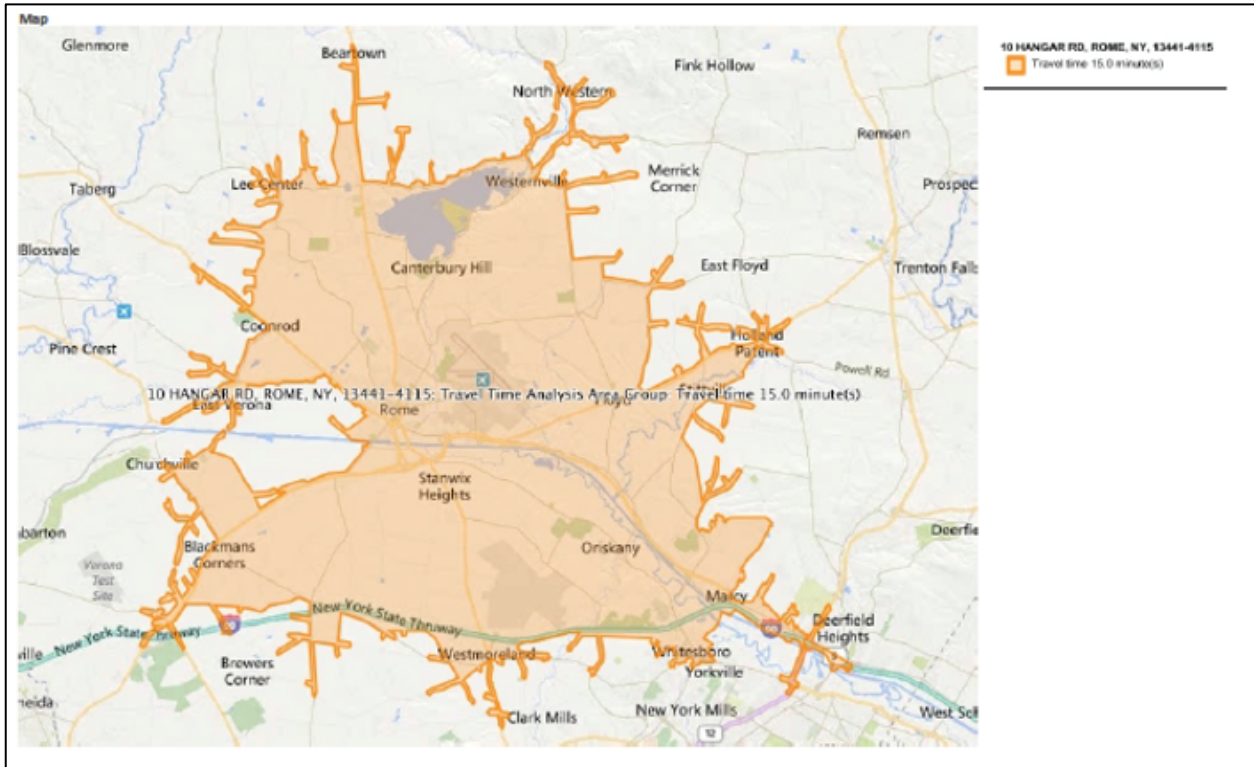


Figure 11: Demographic Analysis Map, 15-minute Drive Time

Source: Claritas, March 2017

Rome 30-Minute Drive Time Analysis Area

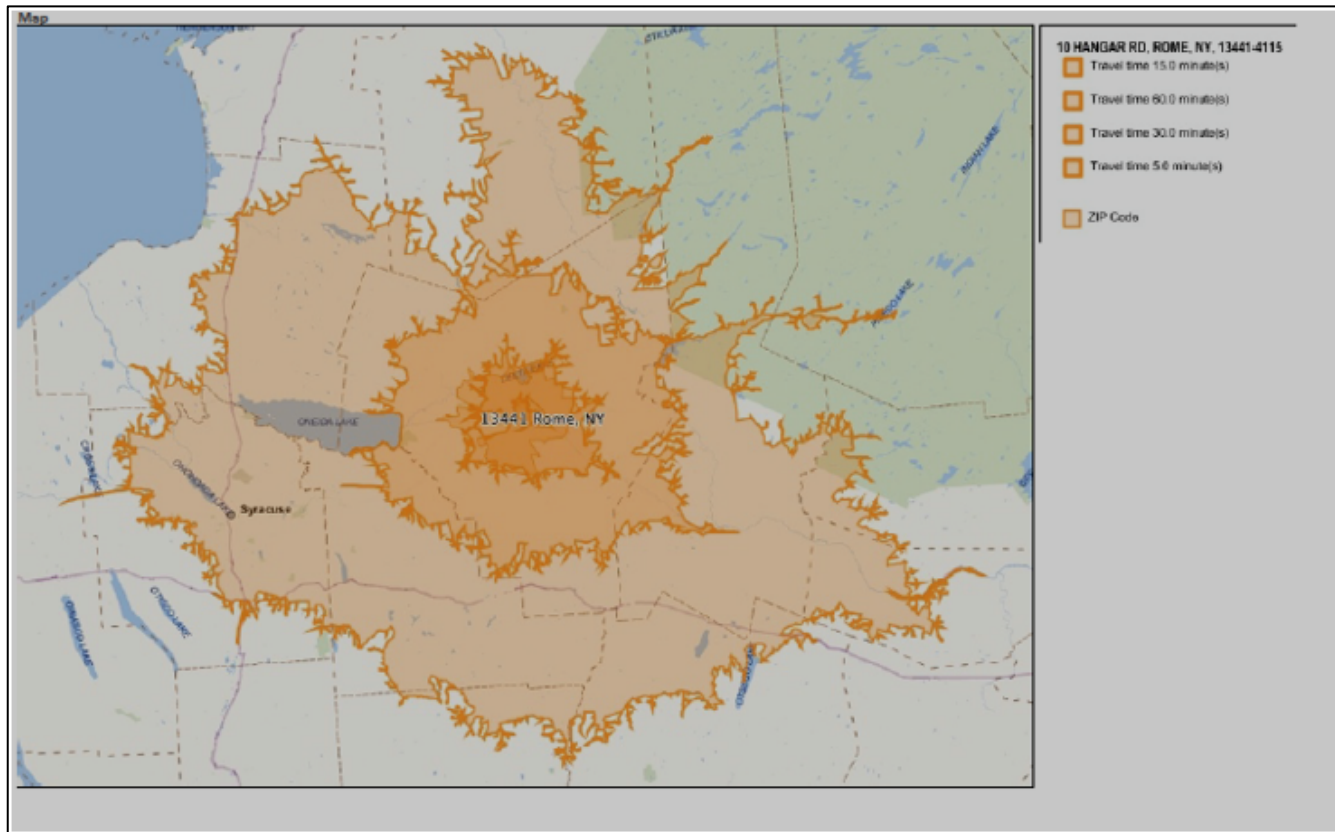


Figure 12: Demographic Analysis Map 60, 30, 15 and 5-Minute Drive Times

Source: Claritas, March 2017

General Demographic Analysis

An analysis was performed of the population, demographics, education, employment and housing information presented by Claritas *Pop-Facts Demographics Report* dated March 17, 2017, located within three market areas surrounding the Woodhaven Site: 1) the Rome zip code as well as 2) a 15-minute, and 3) 30-minute drive time market area around the Woodhaven Site. Within Rome (zip 13440), the population is just over 42,000 in 2017. The average age is 41 years old and family size is 2.3 persons. However, as one travels out of Rome, the area is relatively rural, with the exception of Utica, so Rome and Utica population is significant in the population of the 15-minute and 30-minute travel time distances. In all cases the population has declined over the past five years with the greatest declines of -1.8 %, -1.9% and -1.6% in Rome, the 15-minute drive time ring, and the 30-minute drive ring, respectively. In all cases,

the population of Rome and its surroundings is expected to continue to decline until 2022, but at a reduced rate of between 0.3% and 0.4%. Conversely, the United States is expected to grow at 3.3% from 2017 to 2022.

There is limited diversity in race, religion, housing and education, but overall the population is largely white (85% to 88%) with the highest concentration being of Italian decent (17%) in all areas. Further from Rome, there is a slight increase in the number of Asians, possibly signifying a possible influx of STEM workers as the goal to create more technical employment with the Marcy Nanocenter has been a focus of the area. However, the median income per household is highest for the population within the 15-minute driving time of Rome at just over \$55,000 but only slightly higher than the United States Median Household Income of \$53,000. The number of empty nesters versus Millennials in each demographic ring is relatively consistent. For example, in the City of Rome, 14% of the population is between the ages of 55 and 64 whereas 13% of the population is between the ages of 25 to 35.

Unemployment is lowest in Rome (3.6%), and is rather consistent at approximately 4.5% in the outer markets, which closely matches the United States rate at 4.6%. About 60% of the jobs are classified as White Collar throughout all demographics. However, what is most striking about the population are the educational levels. While over 12% to 14% of adult Americans have a bachelor's degree, increasing by a point the further the demographic ring is from Rome, it is well below the national average of 18%. Master's degree holders were rather consistently at 8% in the three market areas around Rome, compared to over 12% for the United States as a whole. **Also, the highly needed professional degrees demanded by newest technology jobs may require an influx of more educated people to the area if the job market grows in areas such as advanced manufacturing, tech- centers, tech-logistics, government UAS and flight systems.** As such, GBTP has already made great strides in training students at MVCC the needed technological skills required. However, it does appear that the younger population generally has been leaving the area for jobs that are more plentiful elsewhere, and thus there is a declining local population, which is not in sync with the growing national population.

Most housing is older housing stock, with the average year built at 1955 and is consistent amongst all of the three driving radius distances. Just over 66% of the population live in owner-occupied housing compared to 70% in the United States. Renter households account for approximately 35% of the households, rather consistently among the three demographic market areas. In order to stabilize a neighborhood, ownership of housing tends to make people more committed to a neighborhood and interested in maintaining neighborhoods and

limiting the spread of blight. Based on published demographics, a monthly housing affordability rent ranges from approximately \$1,200 to almost \$1,400 per month per household within all three demographic regions.

ROME DEMOGRAPHICS	ROME zip 13440	15 minute travel time	30 Minute travel time	USA
Household income based on 30% monthly income as affordable rent				
Median HHI	\$ 53,077	\$ 55,353	\$ 49,896	\$ 53,000
monthly affordable rent	\$ 1,327	\$ 1,384	\$ 1,247	\$ 1,325

Figure 13: Rome Demographics and Housing Monthly Affordability

Source: Nielsen/Claritas, *Pop-Facts Demographics*, March 17, 2017

In summary, the key issue is retaining and retooling the existing educated population and as new technology-related jobs are created, to attract a more educated population to the area, which converts to the ability to support new commercial and upscale multifamily real estate development to diversify the offerings.

Business Demographics for Development

An analysis of business facts presented in the Claritas *Pop-Facts Demographics Report* dated March 17, 2017 indicates that much of the workforce works in office administration (12.8% in Rome versus 14% within the 30-mile driving radii), which is generally low wage employment. Other larger workforce categories are found in the following classifications: Sales (10%), Management (8%), Health Practitioner/Technician (7%) and Education and Library (6.6%), which generally require a more educated worker. Sales drops to 9% when considering the 30-minute driving distance, whereas Education and Library increases to 7% for the same area. The other larger employment categories remain fairly consistent throughout the entire demographic area. Other trends to note is Construction is very low in Rome at 3.3% but climbs to 4.0% in the 30-mile driving distance, all of which is below the United States of 5.3%. Healthcare Support is well below that of the US (7.7%) as it fluctuates from 2.4% in Rome zip code to 3.0% in the 30-minute driving radii. Ironically that trend is counter to the Healthcare Practitioner/Technician

category which is more prevalent in the Rome market (consistent at 7.0%) versus the United States at 5.6%.

In the Rome market, it is noted that on average only 1.3% of the population work as an Engineer/Architect and for Computer and Math. Between 2.7% in Rome and 2.0% in the 30-mile radii. To support technology-related companies, which include disciplines of math, computers, finance, engineering and related, it will most likely be necessary to educate the existing workforce population and/or attract a skilled workforce.

One of the important factors considered by businesses looking to expand or to relocate is the analysis of clusters of similar or supporting businesses in a city or region. The Rome market indicates that there are many employees in a large variety of sectors. However, there are a few dominant sectors. The most dominant is Office Administration and Sales, which is generally support services to businesses. Healthcare, which is strong for Rome, is also an important sector that serves the local population and is also an asset in terms of essential services

ROME DEMOGRAPHICS		ROME zip 13440	15 minute travel time	30 Minute travel time	USA
Population	2017 Population	42,053	57,802	62,769	308,745,000
	Growth 17 to 2021	-0.3%	-0.4%	-0.4%	3.30%
	past 5 year growth	-1.8%	-1.90%	-0.2%	NAV
	Population findings	Population in and around Rome is NOT growing			
Households Race		17,522	22,331	26,710	128,643,000
	white alone	88%	87%	85%	71%
	AA	6%	7%	6%	12%
	Asian	1%	1%	4%	2%
	some other race or multiple races	4%	1%	5%	2%
	Hispanic (included in previous)	6%	6%	6%	13%
	Race Findings	30 miles drive time, may signify more tech STEM workers; most Asians are Chinese and Indian			
	Ancestry (major groups)				NAP
	Irish	9%	9%	9%	
	Italian	17%	17%	15%	
Language	German	15%	9%	9%	
	English	6%	6%	6%	
	Polish	5%	6%	6%	
	US	15%	14%	14%	
	All others	33%	39%	41%	
	Ancestry findings	Ancestry similar throughout			
	Speak English at home	83%	92%	89%	
	Speak Spanish at home	4%	4%	3%	
	Language findings	Father from center of Rome, most families use English at home			
Household income		ROME zip 13440	15 minute travel time	30 Minute travel time	USA
Age	median age	41.4	41	41.2	37
	average age	41	41	41	38
	Millennial 25 to 35	13%	12%	12%	14%
	Empty nesters 55 to 74	28%	25%	24%	21%
	Total Millennial and Empty nester	41%	37%	36%	35%
	Capture Units				
	Age findings	Average age is older and more empty nesters than USA as a whole; not enough Millennial for the workforce demand			

ROME DEMOGRAPHICS	ROME zip 13440	15 minute travel time	30 Minute travel time	USA
Household income	based on 30% monthly income as affordable rent			
Median HHI	\$ 53,077	\$ 55,353	\$ 49,896	\$ 53,000
monthly affordable rent	\$ 1,327	\$ 1,384	\$ 1,247	\$ 1,458
HHI findings	supportable rents higher than existign inventory			
Education				
High school dip. Or equivalent	34%	36%	33%	27%
Bachelor degree	12%	13%	14%	18%
Masters, professional or higher	8%	8%	9%	12%
Education findings	Farther away from CBD is more highly educated			
Family and own children				
Married couples own children	24%	25%	26%	
Female head of household owned children and head of household no own children	23%	17%	21%	
Family size	2.3	2.3	2.4	2.5
head of household findings	Family size slightly smaller in CBD			
Number of vehicles per HHI	1.6	1.6	1.6	1.8
Poverty				
families above poverty line	89%	91%	88%	90%
2016 families with children below poverty line	10%	7%	10%	10%
Poverty findings	Poverty levels consistant with US averages			

Figure 14: Demographic Snapshot for zip, 15 and 30-mile drive time around the Site.³¹

Source: Nielsen Claritas, March 2017

³¹The Williams Group Real Estate Advisors using Nielson/Clarita's demographics data 2017 *Demographic Snapshot*, (Rome, March 2017)

ROME DEMOGRAPHICS	ROME zip 13440	15 minute trave time	30 Minute travel time	USA
Employment (by occupation)				
architect/engineer	1.3%	1.3%	1.2%	1.8%
arts and sports	1.8%	1.8%	1.6%	1.9%
building ground maintenance	3.5%	3.3%	4.0%	4.0%
business	5.0%	5.0%	4.5%	4.7%
community and social services	2.4%	2.4%	2.6%	1.7%
computer and math	2.7%	2.7%	2.0%	2.5%
construction	2.4%	3.3%	4.0%	5.3%
education and library	6.6%	6.8%	7.0%	6.1%
farming and related	0.6%	0.7%	0.5%	0.7%
food prep.	5.5%	5.3%	6.0%	5.6%
heath practitioner/tech	7.0%	7.0%	7.0%	5.6%
healthcare support	2.4%	2.6%	3.0%	7.7%
maintenance and repair	4.2%	4.4%	3.4%	3.3%
legal	1.2%	1.0%	0.9%	1.2%
life physical social science	0.5%	0.5%	0.6%	0.9%
management	8.0%	8.2%	8.0%	9.7%
office admin	12.8%	12.8%	14.0%	14.0%
production	5.7%	5.6%	7.0%	6.0%
Police	4.4%	4.5%	3.6%	4.0%
sales	10.1%	10.2%	9.0%	11.0%
personal services	4.8%	4.4%	4.5%	3.5%
transportation	5.6%	5.8%	5.7%	6.0%
unemployment rate	5.7%	5.7%	5.7%	4.6%
Employment findings <p>Unemployment is higher than US average. Higher number of lower end maintenance and repair jobs</p>				
occupation classification				
blue collar	19%	19%	19%	NAP
white collar	60%	60%	59%	
Transportation to work				NAP
drove alone	83%	84%	82%	
public transportation	1%	1%	0%	
other (includes walk, bike and car	0%	0.1%	0%	
Transportation findings (average travel time 25 min)	Very low usage of public transportation.			

Figure 15: Business Demographics in the Rome Zip, 15 and 30 minutes' drive time³²

³²Ibid

Retail Demographics

Another way to analyze demographics is to analyze the data used to estimate the amount of retail and services that are supportable by a particular demographic around a site that is being tested for development. TWG analyzed the demographics around the Woodhaven Site to include the Rome zip code, a 15-minute driving time and a 30-minute drive time. The Rome zip code would represent the 13440 zip (population of 42,000 people) generally within the downtown area. These would include retail customers that could easily get to any retail downtown or at the Woodhaven Site and would be target Customers. It would estimate a local customer and the 15 minute and 30 minute miles are the larger submarket in an area where driving is the norm.

In terms of retail demographics, the amount of retail spending dollars available per family is based on the basic demographic income data. The analyses can be utilized to estimate the amount of retail supportable by a given demographic based on their viable spending income.

From the following chart, the demographics of the households were arrayed. Over 6% of the population near the Woodhaven Site was of Hispanic origin. Most of the population was of Italian ancestry (different than ethnic origin) and made below national average incomes. Between 33% and 41% of people are of other or mixed ancestry. Most people spoke English at home, but more used English the farther away from the site. Approximately 4% of people were probably new to the area and of Hispanic origin and spoke Spanish at home.

Most people had a high school education. However, generally those with Bachelor degrees and higher were below national averages. This is a concern as most posted jobs as GBTP and at the Marcy Nanocenter require at least a bachelor degrees and preferable in STEM.

Qualitative issues such as ethnic background, educational levels and income assist with determining the retail program that would be best suited for the potential customers. TWG calculated the effective buying income (income after taxes) then calculated the estimated income available for retail spending, which is approximately 50% of effective buying income. Based on these calculations, TWG estimated the total available income for retail spending within the various drive times. Then an average sale per square foot is utilized to determine the total retail supportable. Based on some conservative capture, the walking population (based on the assumption of 150 new units or households on the Woodhaven Site) could support only 1,800 sf of retail, as the number of households is limited. If a 4% capture from the 15-minute drive were obtained, then over 37,000 square feet of targeted retail could be supported. This retail would have to be destination and programmed to be attractive and

designed to meet the incomes of the target audience. The retail could include food, restaurants, services, markets and other programs to be discussed more fully in the real estate market analysis.

Based on the various drive time and the Rome-Utica MSA, analysis and estimate of capture was performed. A range of retail supportable was fairly consistent with the range from 27,000 sf supportable to 37,200 sf. The goal of the analysis is to determine based on some conservative capture, the amount of retail that may be supportable and appropriate as part of a larger mixed use development. However, the income capture will also be coupled with a supply/demand Gap analysis as well as a retail real estate analysis.

RETAIL DEMOGRAPHICS							NEW UNITS MF per	
source; Nielsen Clarita's Dec 2016	ROME zip 13440	15 minute travel time	30 Minute travel time	UNITED STATES	Rome Utica MSA		TWG MARKET	ANALYSIS
Pop facts								
Population	42,053	57,802	62,769	330,000,000	316,000			
Prime retail population 35 to 54	10,513	14,451	15,692	82,500,000	74,450			
Households	17522	22331	26710		131,667			150
growth 2016 to 2021	-0.3%	-0.4%	-0.4%		-0.20%			0
average HH size	2.4	2.6	2.4		2.3			2.4
median HHI	\$ 53,077	\$ 55,353	\$ 49,896	\$ 51,900.00	\$ 35,000			\$ 60,000
Effective Buying Income rate(EBI)	0.80	0.80	0.81	0.81	0.81			0.81
EBI per household	\$ 42,462	\$ 44,282	\$ 40,466	\$ 42,039	\$ 28,350			\$ 48,600
Total Effective Buying Income	\$ 744,015,694	\$ 988,870,274	\$ 1,080,846,281	\$ -	\$ 3,732,750,000			\$ 7,290,000
Retail buying rate	50%	51%	51%	0.51	0.51			0.51
Total Retail Buying Income	\$ 372,007,847	\$ 504,323,840	\$ 551,231,604	\$ -	\$ 1,903,702,500			\$ 3,717,900
retail buying income per HH	\$ 21,231	\$ 22,584	\$ 20,637	NAP	\$ 14,459			\$ 24,786
Estimated sales per square foot (PSF)	\$ 300	\$ 300	\$ 300	300	300			300
Retail Supportable SF	1,240,026	1,681,079	1,837,439	-	6,345,675			12,393
Capture rate	3%	2%	1.5%	NAP	0.5%			15%
source; Nielsen Clarita's Dec 2016							NEW UNITS MF per	
Pop facts	ROME zip 13440	15 minute travel time	30 Minute travel time	UNITED STATES	Rome Utica MSA		TWG MARKET	ANALYSIS
Actual retail SF supportable based on estimated capture	37,201	33,622	27,562	NAP	31,728			1,859

Figure 16: Rome Retail Demographics Analysis, source Data, Nielsen Clarita's 2017

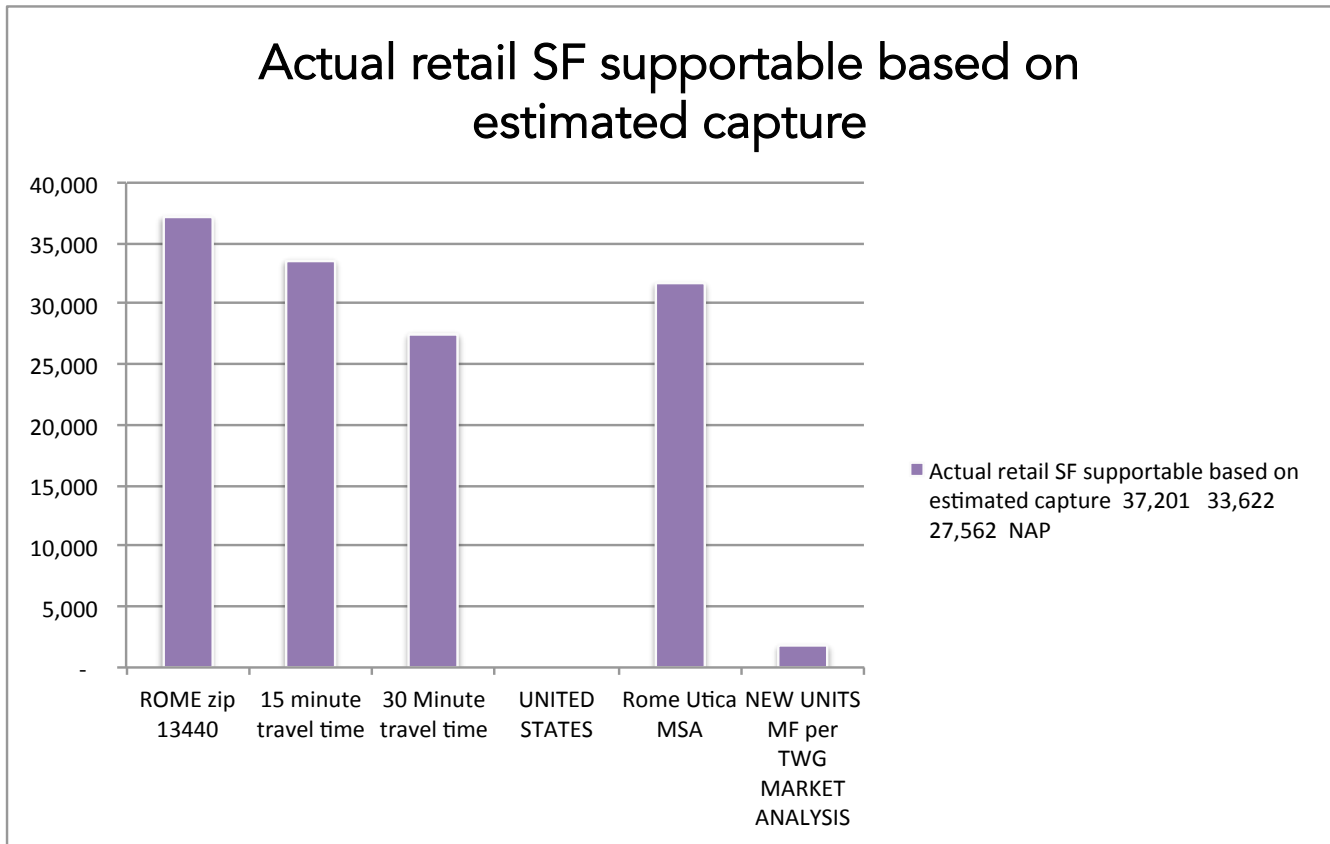


Figure 17: Retail demographics and Square Footage Supportable ³³

³³Ibid

6. Real Estate Market Analysis for Development

A. Multi-Family Real Estate

The City of Rome offers numerous multifamily apartment properties and almost all of the properties were built prior to 1980 with the most basic amenities and finishes. Even so, these apartments operate at almost full occupancy.

Multifamily Supply and Proposed Projects													
Larger Rome Apartment Comp	Address	Distance from Site	Year Built	# Units	Stories	Efficiency	Unit Type (Quantity/SF)				Base Unit Rent (\$)		
							1 Bed	2 Bed	3 Bed	Studio	1 Bed	2 Bed	3 Bed
Miller Town Homes	1901-1909 N. George St.	2.3 miles NW	Older	48	2		12/576sf	36/1,062sf			\$800-\$1,200		0%
Springbrook Apartments	23 WoodCreek Dr.	3 miles NW	1988	194	3		728sf	904sf	1,036sf		\$675	\$775	\$875
Foxwood Townhouses	8236 Beilby Rd.	Independent economy	1971	32	2			#/## sf			\$1,000-\$1,200		0%
Georgian Arms	119 N. George St.	3.6 miles SW	1985	81	17		81/625sf						0% Fitness Center
Madison Plaza	100 N. Madison St.	3.7 miles SW	1974	127	7	29/433sf	48/522sf	50/796sf					0% Low income apts.
Park Drive Manor II	430 Park Drive Manor	Lower chain	Older	102	2						\$493	\$591	\$683
The Delta Apartments	7813 Merrick Rd.	2.5 miles NW	2015-2016	32	2			32/1,163 sf				\$1,450	
Windsor Mews	417 N. Levitt St.	4.5 miles W	1970	200	3		#/595-630sf	#/735-765sf					2% offers 6 or 12 month leases
Rose Garden	113 Rose Ln.	0.5 miles NW	1961	106	2		#/500 sf	#/565-590sf			\$595	\$620	3% Plus \$50/mo for garage
Valentine Apartments	152 Turin St.	1 mile W	1977	99	7		99/625sf						0% Targeted to senior citizens and people with medical issues
Countryside Apartments	7108 Rome Oriskany Rd.	5 miles S	1953	24	2	16	5	3					0%
959 Floyd Avenue Apartments I and II	959 Floyd Ave.	0.1 miles NW	1968	46	2								0%
Colonial Apartments	203-205 St. Peters Ave.	1.5 miles SW	1965	183	7	11/500sf	168/650sf	4/760sf					0%
Canal Village	407 West St.	3 miles SW	Older	33	2								0% Low income apts.
				Total Units	1,307								

Source: Apartments.com, ApartmentFinder.com, Credio.com, hotpads.com

Figure 18: Existing Multifamily Supply in Rome (# denotes actual number not available)

Source: Apartments.com, Apartmentfinder.com, Credio.com, hotpads.com, Buck Construction

Examples of typical apartment complexes in Rome follow, both of which are managed by CRM Rentals.³⁴

- Park Drive Manor II is a 102-unit garden style development; amenities include a playground and either a patio or balcony. This property is located at 430 Park Drive Manor in Rome, which is situated between the Woodhaven Site and Griffiss siness and Technology Park ("GBTP"), less than 0.5 miles east of the Site and near MVCC. Monthly rents range from \$493 for 1-bedroom to \$591 for 2-bedrooms and \$683 for 3-bedrooms. This complex offers Section 8 rents, appears to be older but did upgrade with new carpeting.
- Springbrook Apartments is located at 23 Wood Creek Drive in Rome, 3 miles northwest

³⁴ Apartments.com, Apartmentfinder.com, CRM Management website (<http://www.crmrentalmgmt.com/>)

of the Site and is a 194-unit development with low-rise townhouse style. Rents range from \$675/month for a 1-bedroom (728 sf), \$775/month for a 2-bedroom (904 sf) and \$875 month for a 3-bedroom (1,036 sf) apartment. The property has amenities including air conditioning, fitness center community room and a pool. The complex was renovated in 2012 with newly installed carpeting and new kitchens and bathrooms, although with builder grade materials and white appliances, and appears to be in good condition. Short term furnished rentals for as little as 3 months are available and are advertised for corporate travelers.

Recognizing that a void existed in the Rome market for higher end apartments, Buck Construction developed The Delta Apartments, a new, ground up, luxury apartment complex at 7801 Merrick Road in Rome, adjacent to the Springbrook Apartments and approximately 2.5 miles northwest of the Woodhaven Site. Talking with the developer, he explained how he decided to build luxury apartments in Rome because there was no high-end product available, as he confirmed is still the case. The developer built in a phased approach to sample the market's acceptance of the luxury product. The first two 8-unit buildings were completed in 2015. The developer is now just finishing two more 8-unit buildings and they will be ready for occupancy June 1, 2017 (one unit is already preleased as of mid-March). At that time, the Delta complex will have 48 total units, all 2-bed, 2-bath, comprised of 1,098 square feet and rent for \$1,450/month. Amenities include a detached dedicated garage with storage space, granite countertops and stainless steel appliances in the kitchens, hardwood floors, high end finishes, sound proof walls and in-unit laundry facilities. There is no clubhouse, fitness room or pool amenities. When asked about the possible construction of these common area amenities, the developer mentioned it would not be cost effective until he had built and leased 64 units.³⁵

Although the units have been quickly absorbed by GBTP professionals, doctors and professionals working in Utica area, and downsizing seniors (divorced, empty nesters or tenants who live in Florida for part of the year), the developer feels that he is nearing the end of absorption for these types of units and may have been too ambitious to have constructed 48 units. He had originally intended to build 64 apartment units, but he is going to be turning his attention to building smaller patio homes instead ranging at the \$170,000 to \$200,000 price point. He expects to absorb between 5 to 10 patio houses in a year.³⁶

One complaint noted by a local developer is the higher tax rate of development in Rome

³⁵ Steven Buck, Buck Construction

³⁶ Ibid

versus neighboring towns³⁷. This may be a reason that more multifamily properties are being proposed and developed in neighboring communities to Rome, where the commute to GBTP is still convenient. Even so there are some new multifamily projects conceptualized, proposed or under construction in Rome.

Proposed Multifamily Construction in Rome											
Larger Rome Apartment Comp	Address	Distance from Site	Year Built	# Units	Stories	1 Bed	2 Bed	Studio	1 Bed	2 Bed	Vacancy % Amenities
The Delta Apartments	7813 Merrick Rd.	2.5 miles NW	6/1/17	16	2	16/1,163 sf				\$1,450	1 unit preleased Enclosed garage, granite counters, stainless steel appliances
Rome Turney Redevelopment Scenario 1*	Downtown Rome BOA Study Area	4.5 miles SW	Concept	115-120	4	800	1,000		\$1,120	\$1,400	5,500 sf ground floor retail, commercial such as a café, coffee shop, retail shop; apt. high end finishes such as stainless steel appliances, granite countertops; potential live/work or loft units
Rome Turney Redevelopment Scenario 2*	Downtown Rome BOA Study Area	4.5 miles SW	Concept	80-90	4	800	1,000		\$1,120	\$1,400	4,500 sf ground floor retail, commercial such as a café, coffee shop, retail shop; apt. high end finishes such as stainless steel appliances, granite countertops; potential live/work or loft units
George Street Parking Garage	George Street	3-4 miles SW	Possible Apt Reuse	n/a		NAV	NAV				
Dewitt Clinton School	423 Ann St.	3.9 miles SW	Under Consideration	60		NAV	NAV		est. \$700	est. \$850	Being considered by non-profit developer, DePaul Community Services which has a purchase offer; New Construction; 30 units with support services for elderly, medically frail or mental illness
Old City Hall	207 N. James St.	3.3 miles SW	Fall 2017	8					\$ 1,000	\$ 2,000	Under Construction, YES Development, high end finishes; loft apts; commercial first floor

Source: Camoin Associates, Strategic Site Financial Feasibility, Nov 2016*; Observer-Dispatch " Projects" 2/16/17; Camoin Associates," Real Estate Market Analysis: Erie Boulevard Brownfield Opportunity Area & the City of Rome, NY", Nov 2016

Figure 19: Proposed Multifamily Construction in Rome

Source: Camoin Associates, Strategic Site Financial Feasibility, Nov 2016*; Observer-Dispatch " Projects" 2/16/17; Camoin Associates," Real Estate Market Analysis: Erie Boulevard Brownfield Opportunity Area & the City of Rome, NY", Nov 2016; Rome Sentinel, *City Exploring Former School for Housing Units*, February 17, 2017; Steve Buck, Buck Construction; Observer-Dispatch, *Rome's Old City Hall Gets Another Reprieve*, March 24, 2017

Camoin Associates recently completed a Strategic Site Financial Feasibility study dated November 2016 in which they considered the adaptive reuse of the Turney building (Downtown Rome BOA) in Rome. In the study, they identified two potential feasible redevelopment uses of the Turney building, in which both scenarios included a portion of market rent apartments. Although the Downtown Rome BOA is still in the remediation phase and is estimated to take longer to be shovel ready as compared to the Woodhaven Site, it is a mixed-use project that is expected to attract and capture the same target demographic market of higher-income Millennials as the Woodhaven Site. The City of Rome should exercise care

³⁷ Justin Gualtieri, Rome Building Contractors Incorporated

not to duplicate the same demographics when considering proposed development projects at either the Rome Turney Building, the Woodhaven Site or other Rome locations.

Little information can be found describing the George Street Parking Garage reuse project but it is noted that multifamily units are one use under consideration.³⁸ In another proposed project, sixty apartment units are expected to be constructed at the Dewitt Clinton School to be occupied specifically by a mixed demographic including tenants that require special services,³⁹ reflecting a different demographic target than proposed at the Woodhaven Site.

Proposed Multifamily Construction in the Utica/Marcy Area

Although limited additional new luxury multifamily construction is proposed in Rome, it is noteworthy to understand the proposed projects being considered and even currently under construction in the Marcy-Utica area as many of these facilities would also target the Millennials and employees of GBTP, and is within commuting distance to Rome.

Proposed Multifamily Construction in Utica/Marcy Area													
Larger Rome Apartment Comp	Address	Distance from Site	Year Built	# Units	Stories	1 Bed Size	1 Bed qty/SF	2 bed qty/SF	3 Bed QTY/SF	1 Bed Rent	2 BedRent	Notes	Amenities
Canal View Apartments	9009-9016 Horatio Ave., Marcy	10 miles SE	2017	39	1		39/1,400sf			\$	1,500	In lease up phase	Garage, Washer Dryer hookup, no granite countertops but stainless steel appliances, attached garage
Deerfield Place	1 Patriot Circle, Utica	15.2 miles SE	2017	156	2	#/1,108-1,168	#/1,393-1,765sf	#/1,843sf		\$1,140-\$1,290	\$1,740-\$1,940	In lease up phase	Clubhouse, BBQ/Grill Area, Pet
Roosevelt Residences	11 sites; Corn Hill neighborhood	16.0 miles SE	Under bid 2016	50									Play Area, Pool, Fitness Center
													Affordable housing project
Lofts at Globe Mill	811-827 Court St., Utica	15.0 miles SE	Spring/Summer 2018	131	4	50/375sf-600sf	81/1,000sf-1,300sf						Historic Building Redevelopment, Mixed Use, Mixed Income Loft
118 Liberty Street	118 Liberty St., Utica	15.0 miles SE		58									Apts., 36,000 sf commercial; under contract to close April 2017
Doyle Hardware	330 Main St, Utica	15.0 miles SE		48	4	#/450-600-700sf	#/800-1,100 sf			\$800-\$1,350	\$1,450-1,550		Retail, office and commercial space; apts on upper floors
Lewis Custom Townhouses	6200 Mallory Road, Marcy	18.0 miles SE		162	2								Purchase; in planning stages
													Townhouse Style Apartments
Total Units				644									

Source: KCG Construction, Huber-Breuer Construction; Observer-Dispatch "New Housing Development Slow Going in Suburbs" 6/1/16; Observer-Dispatch "Projects" 2/16/17

Source: KCG Construction, Hueber-Breuer Construction; Observer-Dispatch "New Housing Development Slow Going in Suburbs" 6/1/16; Observer-Dispatch "Projects" 2/16/17

Figure 20: Proposed Multifamily Construction in Utica-Marcy Market Area

Source: KCG Construction; Hueber-Breuer Construction; Observer-Dispatch, *New Housing Development Slow Going in Suburbs*, June 1, 2016; Observer-Dispatch, *Projects*, February 16, 2017; Apartments.com; Rome Sentinel, *Regional council seeking \$25M for projects for 6-County Area*, Oct 15, 2016; Utica Municipal Housing Authority, *Utica MHA Seeks Bids for Roosevelt Residences Project*, July 18, 2016, Observer-Dispatch, *West Utica's Globe Mills Site Could Become Housing*, June 9, 2016, Lofts at Global Mills website (<http://www.kcgdevelopment.com/portfolio/lofts-at-globe-mill/>); Deerfield Place website (<http://www.deerfieldplaceutica.com/0>)

A total of 644 multifamily units are proposed or under construction in the Utica-Marcy area. In 2017, nearly 400 units have been added to the Utica-Marcy upscale multifamily supply. The Canal View Apartments in Marcy offer 39 2-bedroom units with attached garage commanding

³⁸ Observer Dispatch, *Projects*, February 16, 2017

³⁹ Rome Sentinel, *City Exploring Former School for Housing Units*, February 17, 2017

\$1,500/month in rent. Similarly, the 156-unit Deerfield Place in North Utica offer both townhouse and apartment living with amenities such as a clubhouse, pool, and fitness center, also commanding a \$1,290/month for a one-bedroom apartment.

Most of the proposed multifamily is slated for downtown Utica and are redevelopments of existing historical manufacturing buildings. The purchase of the Lofts at Global Mill is expected to close by mid-April 2017 with the immediate construction of 131 high-end multifamily units to be available by Summer 2018.⁴⁰ Hueber-Breuer Construction is about to begin the renovation of the Doyle Hardware building to include 48 multifamily units with high end finishes and estimated rents to be as high as \$1,350/month for one bedroom and \$1,550/month for two bedroom units.⁴¹

Discussions around another 270 multifamily units are being publicized, yet these proposed projects are still in the planning and feasibility phases. Of these units, the proposed 50-unit Roosevelt Residences will be targeted affordable housing, thereby attracting a different demographic than the Woodhaven Site.⁴²

Multifamily Housing Analyses

Existing multifamily rentals in the Rome market demonstrates a strong rental market while indicating that there is a lack of housing targeted to the young tech professionals or Millennials looking for apartments with high end finishes, preferably with an exciting community feel. Phrases like “geeky cool” are used to attract renters to new loft-like units at much higher rental rates in other up and coming areas and could be the just as effective at the Woodhaven Site.

An upscale multifamily offering of mixed apartment sizes of studio, one-bedroom and two-bedroom apartments as well as townhouses with exceptional amenities and unique product offerings, would be most appealing to high-tech employees at GBTP, Millennials and higher-paid younger professionals (including doctors, lawyers, etc.), younger couples, divorcees, snow birds and empty nesters. The only high-end product that exists in Rome is the 32-unit Delta Apartments, which were fully occupied as of March 2017 (this is prior to the 16 additional units coming on line in June 2017), however, the complex only offers two-bedroom apartments and no community amenities. Providing a mix of apartment sizes will allow the multifamily apartments at the Woodhaven Site to be attractive to a greater mix of clientele with different

⁴⁰ Source: Lofts at Global Mills website (<http://www.kcgdevelopment.com/portfolio/lofts-at-globe-mill/>)

⁴¹ Source: Andy Breuer, Hueber-Breuer Construction

⁴² Source: Utica Municipal Housing Authority, *Utica MHA Seeks Bids for Roosevelt Residences Project*, July 18, 2016

needs and price points.

To approximate the potential demand for the Woodhaven Site, an analysis of the existing demographics and related economic indicators was completed for Rome and neighboring communities within a 30-minute drive time. Specific age groups were considered to reflect the potential targeted renters. The younger age group of 25 to 34 years of age is expected to include Millennials, younger professionals and young couples, most likely without children. Divorcees or single older adults who may not have an interest to live in a single-family home, may choose to live at the complex and would be represented in the 35 to 54 years of age group. Empty nesters who are ready to step away from the burden of home ownership and snow birds, people who reside in warmer climates for the winter months and feel more comfortable leaving an apartment behind, would be represented by the 55 to 64 years of age group.

Figure 20A: Potential Capture of Multifamily Demand at Woodhaven Site						
	Market: ROME Zip 13440	Market: 15 Minute Travel Time	Difference: 15 Min less Rome Zip	Market: 30 Minute Travel Time	Difference: 30 Min less 15 Min	
Population:	42,035	57,802	15,767	249,765	191,963	
Millennial 25 to 35	13%	13.8%	2,439	12.9%	24,266	
Age 35 to 55	25%	26.3%	4,649	24.5%	46,017	
Empty nesters 55 to 64	14%	13.6%	2,046	13.9%	26,804	
Capture % by Age: Millennial 25 to 35	1.00%		0.50%		0.25%	
Age 35 to 55	0.25%		0.10%		0.00%	
Empty nesters 55 to 64	0.50%		0.25%		0.00%	
Capture Units by Age: Millennial 25 to 35	55		12		61	
Age 35 to 55	26		5		-	
Empty nesters 55 to 64	29		5		-	
Capture Units	111		22		61	
Total Estimated Capture Units	193					

Figure 20A: Potential Capture of MF Demand at Woodhaven

A very conservative capture rate was assumed for each of the age categories after reviewing pertinent demographic data, some of which is highlighted in Figures 14 and 15. A greater percentage of the younger age group, especially those currently residing closer to Rome, were expected to relocate to the Woodhaven Site if an exciting new development was constructed with amenities that would be attractive to the targeted audience. However, given the limited number of upscale multifamily offerings in the area, it is anticipated that some people would relocate as far away as a 30-minute drive to Rome for an exciting new offering. Although not analyzed, the younger crowd willing to commute from as far away as Syracuse, the most attractive and entertaining location for the youngest employees, would only add to the potential demand. Additionally, as 500 new jobs are generated from the imminent opening of Quad-C over the next five years, and with the hopeful eventual tenancy of the Marcy Nanocenter, the Woodhaven Site could be even more demand as a housing option. As such, a

phased approach is recommended, beginning with 50 units.

The affordability of rent was also considered for the market area. Based on demographics and income level for the residents of the City of Rome and neighboring communities within a 30-mile driving distance from the Woodhaven Site, approximately \$1,250 to \$1,850 per month is affordable for the average family of approximately 2.3 persons earning between \$50,000 and \$55,000 per year. This calculation is based on the assumption that 30 percent of Household Income is an affordable price for rent. As such, as displayed in *Figure 38: Woodhaven Draft Program Matrix*, the proposed rents for new hip apartments at the Woodhaven Site of \$1,300/month for 1 to 2 bedroom apartments and \$1,400 to \$1500/month for 2 to 3 bedroom apartments or townhouses will have not out-priced the affordability of the local community.

In summary, the overall apartment market in Rome is strong. Vacancies are very low for the older stock as well as upscale units, which were quickly absorbed and demonstrated that they are sought-after. The key to making new development feasible is to target the young and hip, marketing the units with unique and important amenities that are appealing to this demographic. These types of units are typically large open and have an interesting loft or historic feel or are new and slick. As compared to the proposed apartments in both downtown Rome and the Utica-Marcy market, multifamily at the Woodhaven Site should differentiate itself by playing up its natural amenities of the Mohawk River and the Mohawk River Trail. Pools, outdoor spaces and recreational amenities are a necessity as well as large well stocked fitness areas and in unit laundries are essential. Wi-Fi and Security are also a must. An overview of the proposed housing programming for the Woodhaven Site is as shown in *Figure 38: Woodhaven Draft Program Matrix*.

Potential Housing Demand from Griffiss Business Technology Park

A different perspective was also taken to estimate the potential for new multifamily housing at the Woodhaven Site. An analysis was performed to understand the commute distance and travel costs of GBTP's employees. From 2012 through 2014, the Griffiss Local Development Corp ("GLDC") surveyed GBTP employees to determine where they live. The results of the survey, presented in the GLDC Griffiss Annual Report for each respective year, indicate that over the surveyed period, employees have been moving away from Rome and its northern and western suburbs, towards the more accessible locations of Utica, Southern Oneida County as well as in the direction of Syracuse, which is often cited as a desirable location for the younger generation as it is closer to Syracuse University and related entertainment offerings targeted to the younger population. Internet blogs used by younger professionals have indicated that they prefer to live in a more vibrant and lively urban community and are willing to commute an hour

away rather than reside in sleepier communities such as Rome.

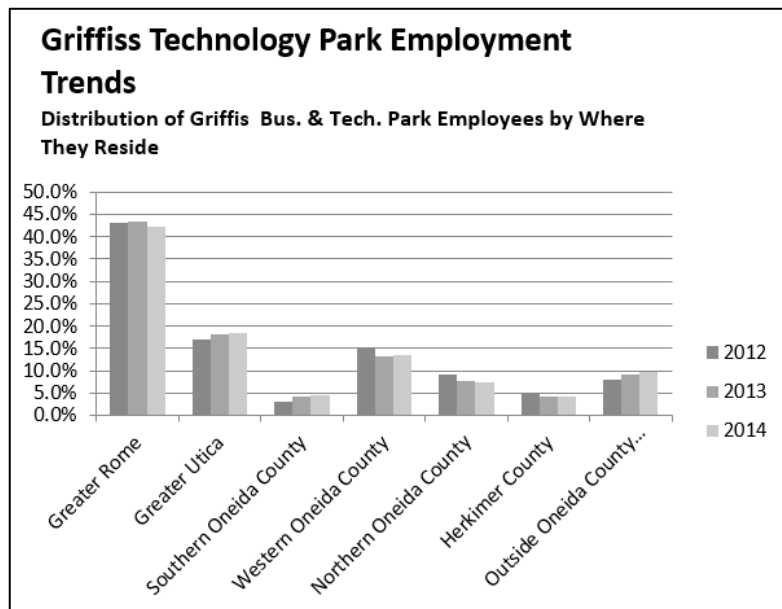


Figure 21: Griffis Employment Trends

Source: Griffiss Land Development Corp, Griffiss Annual Reports 2012-2014

Although an upscale multifamily complex would command a significantly higher rental rate than existing, older multifamily properties in Rome, the cost in time and expense to commute may also offset that added rental expense for a GBTP employee willing to relocate to the Woodhaven Site. For example, assuming a five-day commute for an employee residing in Utica, then the cost of commuting to work would amount to an estimated \$342/month. Therefore, the employee would have over \$300 in monthly commutation savings which could be applied to a higher rent (besides the additional commute savings in time) if they were willing to relocate to the Woodhaven Site. One to 3 percent was assumed as a conservative estimate of the capture rate of GBTP employees who might relocate to the Woodhaven Site if a unique, upscale, destination, community type of complex was constructed. Currently the only upscale property located in Rome is the Delta Apartments however, this property only offers two-bedroom apartments with garage for \$1,450/month and is reported not to be occupied by any tenant younger than 30 years old per its developer⁴³. If the Woodhaven Site offered smaller units, including one-bedroom units in addition to two-bedroom units, then the Woodhaven Site might be a desirable residence alternative for the younger generation.

⁴³ Steve Buck, Buck Construction

Estimated Capture of Griffiss Business and Technology Park Employees to Rome							
Region	GTP Employee Residence using 2014 GLDC Zip Code Survey	Estimated Commuting Distance (miles)	Estimated Travel Cost*	# of Griffiss Tech Park Employees (5,784)	Assumed % of Employees Capture %	Assumed # of Employees	Move to Site
Greater Rome	42.4%	N/A	N/A	2452	3%		74
Greater Utica	18.4%	15	\$ 342	1064	2%		21
Southern Oneida County	4.5%	17	\$ 387	260	1%		3
Western Oneida County	13.4%	21	\$ 478	775	1%		8
Northern Oneida County	7.4%	15	\$ 342	428	1%		4
Herkimer County	4.2%	40	\$ 912	243	1%		2
Outside Oneida County (non Herkimer)	9.7%	50	\$ 1,140	561	3%		17
Total				5784			129

* Assumes travel 5 days/week; \$0.57/mile used by Prime Companies in their computations; within range provided by 2016 AAA report

Figure 22: Estimated Capture of GBTP Employees

Source: Griffiss Land Development Corp, Griffiss Annual Report 2014

Mohawk Valley Community College Potential Demand

Adjacent to the Woodhaven Site is Mohawk Valley Community College ("MVCC"). In February 2017, MVCC completed a \$30 million expansion effort that started in June 2015 and included the expansion of the Plumly Complex by 48,000 sf, updating classroom and related technology, opening Library Commons, adding a dining room and a 120-person community room and improving parking.⁴⁴ Interviews with MVCC indicated that of the 4,700 MVCC students, only 560 students were dedicated to the Rome campus in 2016-2017 (as opposed to Utica, which is the main campus), which is down from 640 students last year. It is speculated that the number of students at the Rome campus may increase in the coming years due to the expansion. MVCC indicated that only 3 to 4 students studying at the Rome campus choose to live in dorms annually at the Utica MVCC campus(which has be operating below capacity for years) as the MVCC Rome Campus does not provide dorms. Additionally MVCC Rome Campus is not interested in building dorms for two reasons. They do not believe there is the demand for dorms, as the majority of students commute to Rome. Additionally, the expense by MVCC to provide 24/7 public safety, meals, health and wellness services and other activities would not make sense. Although fifty students enrolled in the one-year certificate Airplane program are from out of the area, they require a year-round housing option, that the dorm would not provide.⁴⁵ It is assumed that if a MVCC student wanted to live off campus, the rental rates of multifamily housing of many existing facilities in the Rome area are affordable, but those

⁴⁴ Source: Mohawk Valley Community College website (www.mvcc.edu/)

⁴⁵ Source: Franca Armstrong, Dean of Rome Campus, Mohawk Valley Community College

proposed at the Woodhaven Site would exceed a student's budget for living expenses.

Single Family Housing

Single family is by far the housing product that is in the highest existing inventory. It makes up over 61% of the available product.

Single Family Affordability Analysis	
Median Income	\$53,000
% allowable for Housing costs monthly (30%)	\$1,325
Suggest House sales Price	\$250,000
Loan to Value	75%
down payment	\$62,500
Borrowed amount	\$187,500
mortgage	-\$1,096
Mortgage meets affordability	YES
House Size--2 bedroom to small 3 bed in SF	1500
\$/sf (low moderate)	175
Total Cost	\$262,500
Developer profit	-\$12,500

Figure 22A: Single Family Housing Feasibility Analysis

Above is an example of an affordable single family house for Rome and its feasibility. Overall, the feasibility is not profitable for a builder. At the affordable income for the market, a house at sales price \$250,000 is affordable with a 25-year mortgage at 5%. The monthly mortgage for the typical households is affordable at 30% of monthly income. However, from the builder's perspective, even a modest 1,500 Sf house costs more to build. Even if the developer could build for less than \$175/sf, it is very difficult to make this a target product unless there are some financial incentives that lower the costs. In addition, there is significant existing product in the market that is available for less than \$250,000.

Lastly, there is the issue of economic impact. With say 5 to 6 houses per acre, which would

yield 12 to 15 persons per acre, the estimated retail supportable would be 345 sf of retail per acre of development. However, a denser structure, say of townhouses at (retail in the US is approximately 23 sf per capita) would support 3 times the retail. While there is planning potential, due to the large size of the Woodhaven site, to include single family housing abutting the existing single family neighborhoods, it is difficult to make the case for market support or economic impact unless there are some significant developer incentives to support the viability.

Senior Housing

Senior housing is a broad category that includes independent housing, assisted housing, Alzheimer housing and continual care. The differential of these types of facilities is the level of support and medical care provided to the resident. The senior population includes two categories: a) the younger seniors at 65 years and older which are also part of the empty nester category and b) the 75 year plus category who are generally the group that are considering some type of assisted housing or semi-independent housing. The 65 plus age group makes up 18% of the population. The 75 year and older age group makes up 5% of the population. Using the median income at approximately \$53,000, at best, a typical senior household could afford \$1,200 to \$1,300 per month as housing costs. It is more than likely that as people age and income declines that target monthly affordability is closer to \$1,000 per month or less.

A look at some local senior housing inventory in both the independent and semi-independent (limited assistance for meals etc.) are multi family style with varying concierge service and plenty of amenities. All of the products overviewed had a price point over \$3,500 per month.

Senior Housing Near Rome, NY

Name	Location	# Units:				Monthly Rent:				# Vacant Units:				of Total Cottages Units	Comments
		Total	Studio	1-Bed	2-Bed	Cottages	Studio	1-Bed	2-Bed	Cottages	Studio	1-Bed	2-Bed		
Preswick Glen (Independent Living)	New Hartford, NY	124	n/a			40	n/a	3,500	3,500	n/a		2	1	Long waitlist	Entry Fee Required (Reimbursable from 0 to 90% upon vacancy; rent inclusive of basic services including meals, activities, utilities, cable, etc.; 3 min wealth required
Heritage at The Plains at Parish Homestead:															
Independent Living	Oneonta, NY	64	n/a	50	14	n/a	n/a	\$4,000-4,400	\$4,500-4,625	n/a	n/a	2	2	n/a	Rent inclusive of basic services including meals, activities, utilities, cable, etc.); continuum of care from indep to assisted living; no entry fee
Assisted Living	Oneonta, NY	28	28	n/a	n/a	n/a	\$ 3,900	n/a	n/a	n/a	2	n/a	n/a	n/a	
Brookdale (Independent Living)	Clinton, NY	84	n/a	48	36	n/a	n/a	\$ 2,700	\$ 3,500	n/a	n/a	3	3		Independent Living; rent inclusive of basic services including meals, activities, utilities, cable, etc.; no entry fee

Figure 22B: Senior Housing Near Rome, NY

Source: Interviews with Gary Holeck of Preswick Glen and Daniel Orozco of a Place for Moms

Preswick Glen is an independent senior living community built about 2007 and located at 55 Preswick Drive in New Hartford, NY. It is located adjacent to the Presbyterian Home and was noted as a desirable example to consider for the Woodhaven Site. Obtaining specific current pricing information is difficult as the facility wants to first meet with its potential resident to go over the various options for entry fee, minimum wealth requirements, etc., before disclosing the entry fee. However, a 2006 report was found that indicated an entry fee of \$50,000 to \$231,000 that has a sliding scale refundable amount of 0 to 90% upon departure. In addition to this entry fee, a monthly rent above \$2,000 was also stated in the document. Preswick Glen is a not-for-profit facility that targets the 60 years plus age group and is reported to be exempt from property taxes. Potential residents must have a minimum savings of \$500,000 through pension, income or sale of their existing home. Although this information is dated, the reality is that the facility pricing in 2017 (and therefore the residents' required income and savings) would be expected to be much higher.⁴⁶ In fact, based on a conversation with Gary Holeck at the marketing group of Preswick Glen, the monthly fee is now approximately \$3,500 per month for all units after the entry fee is paid. He also indicated that although there are a few residents who come from out of region, the bulk of the residents previously resided in the New Hartford, Clinton and Utica communities prior to moving to Preswick Glen. Gary also indicated that the one-level cottages have a long waitlist as well as the larger two-bedroom apartments, but that the one-bedroom apartments are generally the ones available for rent.

Brookdale Independent Living and Heritage at The Plains at Parish Homestead are two other senior housing facilities that offer independent living and no entry fee. However, Parish Homestead is often considered a more desirable facility as it better allows seniors to age in place by offering both independent and assisted living. Monthly rent at these facilities are \$2,700 at Brookdale and \$4,000 to \$4,400 at Parish Homestead for one-bedroom apartments. Two bedroom apartments range from \$3,500 and \$4,500 to \$4,650 per month, respectively. As with Preswick Glen, the monthly rents at all three facilities include three meals daily, utilities and cable, programming activities and other amenities, but do not include any medical related services.

The three senior housing properties have high occupancy levels although smaller one-bedroom

⁴⁶ Source: Questions and Answers, Preswick Glen, Inc. Real Property Tax Exemption, Updated 2006

units are less popular than the larger units. Local area seniors appear not to be able to afford these types of senior housing facilities on their own accord based on economic and demographic information, even with the sale of their home. These residents may receive additional sources of income such as the financial support of children or other relatives, assistance through organizations such as veteran-related groups, etc. that makes these facilities attainable.

The high occupancy levels of the senior housing properties identified in Figure 22B may appear to show a potential opportunity for senior housing at the Woodhaven Site. But an extensive market study, understanding not only the market and feasibility of the real estate, but also the operations of a senior living business is necessary. This analysis is especially required if any level of resident support and/or medical assistance will be administered, such as for assisted living, Alzheimer's or continuum of care facilities, as payment and/or reimbursement for these services is based on private payments, health insurance, Medicare and/or Medicaid and the likelihood to receive these funds.

With the services required by an aging population, it is difficult to keep upscale senior housing product in the affordable range and receive payments due. If a developer can make this type of scenario work with tax incentives or other financial products, this product may be appropriate abutting the other single family neighborhoods that abut the Woodhaven Site. Additionally, it should be noted that most seniors prefer one-level living.

B. Commercial Real Estate-Office

National Office Market Outlook

According to CBRE⁴⁷ the United States office market has been strengthening. The overall national vacancy rate decreased by 10 basis points to 12.9% in the second quarter of 2016, which is the lowest level since 2008. The suburban office market picked up the greatest absorption but the downtown markets overall performed better at 10% vacancy. National construction totaled 9.7 million square feet in Q4 2016, which is down slightly from the previous average, but on par with 2015. This trend indicates overall industry confidence in the office market.

Upstate New York Office Market

⁴⁷ Source: CBRE, Marketview Q4 2016, Albany and Buffalo Office Markets

As Rome is a smaller regional sub-market with limited inventory, the major relevant data sources and the related brokerage research firms or institutions do not track its office market trends. However, it is important to get a sense of the office market in the closest tracked major markets. The most proximate markets that are tracked are Buffalo and Albany, both located on either side of Rome in upstate New York.

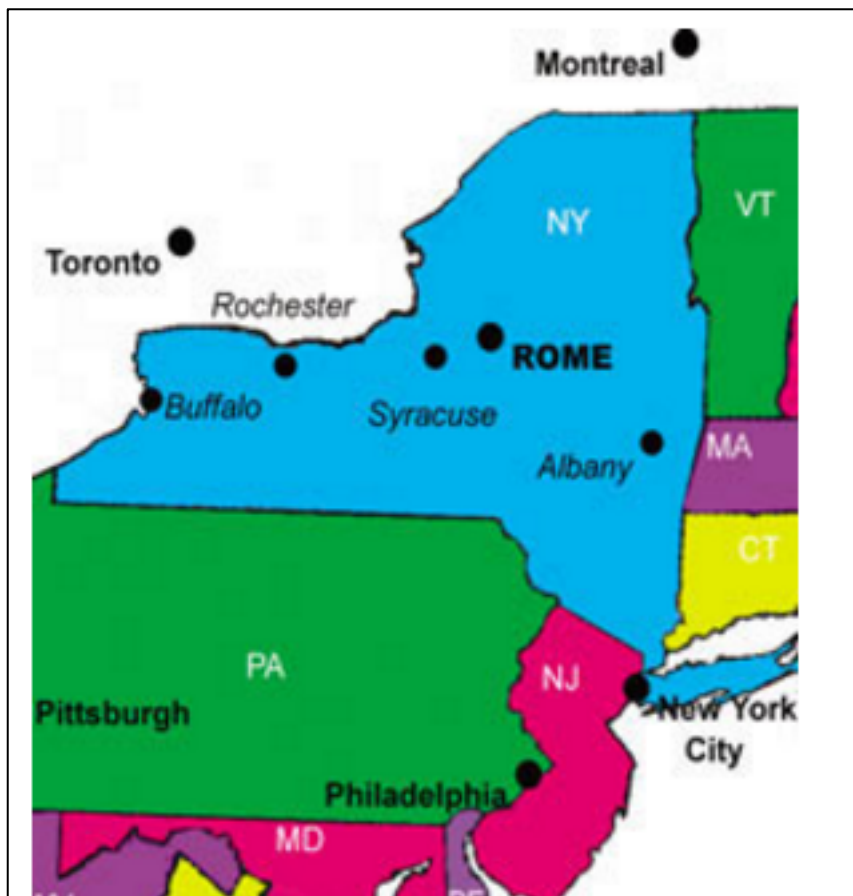


Figure 23: Location Map Rome, Buffalo, Albany Markets

Buffalo is the largest upstate commercial real estate market and is located 190 miles west of Rome. Overall the vacancy rate for office space is 12.5% and declining, which is positive news. Additionally, Buffalo is outperforming the National vacancy rate of 12.9%. According to CBRE, the overall net absorption in the first 3-quarters of 2016 was 337,145 SF, which is substantial. The Downtown Buffalo market is a bright spot of activity while the suburban markets are flat. This trend seems to be a national trend. While historically the suburban market was often

preferred, the younger workforce prefers the downtown office setting as opposed to a corporate suburban office park. **Major driver to the absorption was the healthcare industry, which are not only a tenant but a major driver for new construction.** Class A space is quoted at rental rates of \$22 to \$26 per square foot, which is respectable. The overall inventory of Class A office space is 4.3 million square feet in the Buffalo CBD. Class A is the most desirable as tenants continue to move towards quality space and are drawn to a “live, work, play” experience in amenity filled buildings. ⁴⁸

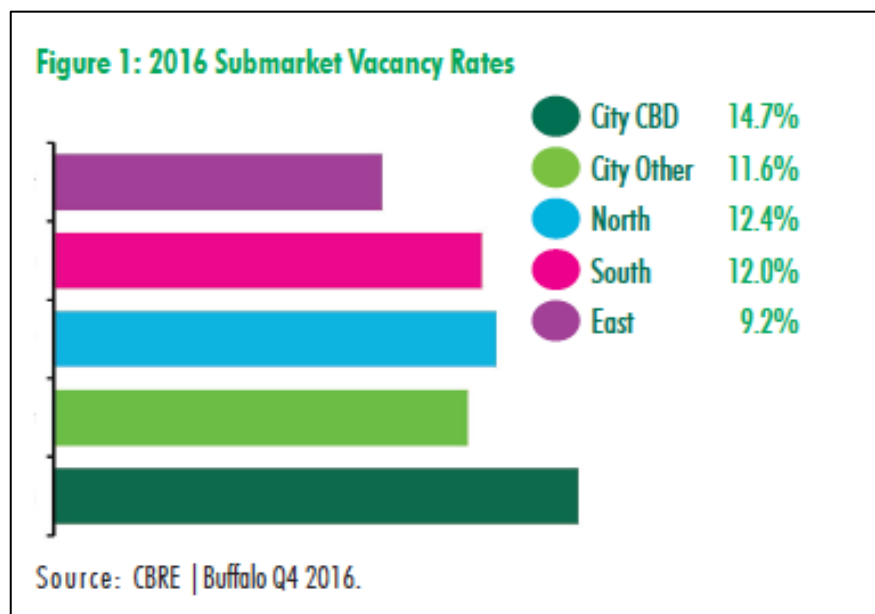


Figure 24: Buffalo Vacancy Rates, CBRE MarketView Q4 2016

Albany is also tracked by CBRE. Albany is located 110 miles southeast of Rome and is included in what CBRE terms the Capital Region office market. Overall the Capital Region showed vacancies of 12.1% and declining with an average lease rate of \$16.74 per square foot, but also declining. Overall absorption in the previous years was over 300,000 square feet, which is respectable. However, what is noteworthy is the strongest submarket of the region is Saratoga. Saratoga is a small downtown but the vacancy rate is 1.7%, which is very tight and will most likely stimulate new construction. Of course, it must be mentioned that Global Foundries is located in nearby Malta, NY, just 13 miles south, and Saratoga offers a very desirable downtown option.

There is a definite link between unemployment and office occupancy levels. The Capital

⁴⁸ CBRE, Marketview, Buffalo 3Q2016 Office Market Outlook

Region's unemployment rate was 4% fourth quarter 2016 which is far superior to the national level. This rate reflects the continued stabilization in employment. Overall, the New York State unemployed rate was 4.5%. The Capital Region has the lowest rate among upstate cities.

Due to the demand for office space in and around Saratoga, the Saratoga CBD has the highest asking lease rates of over \$22 PSF.

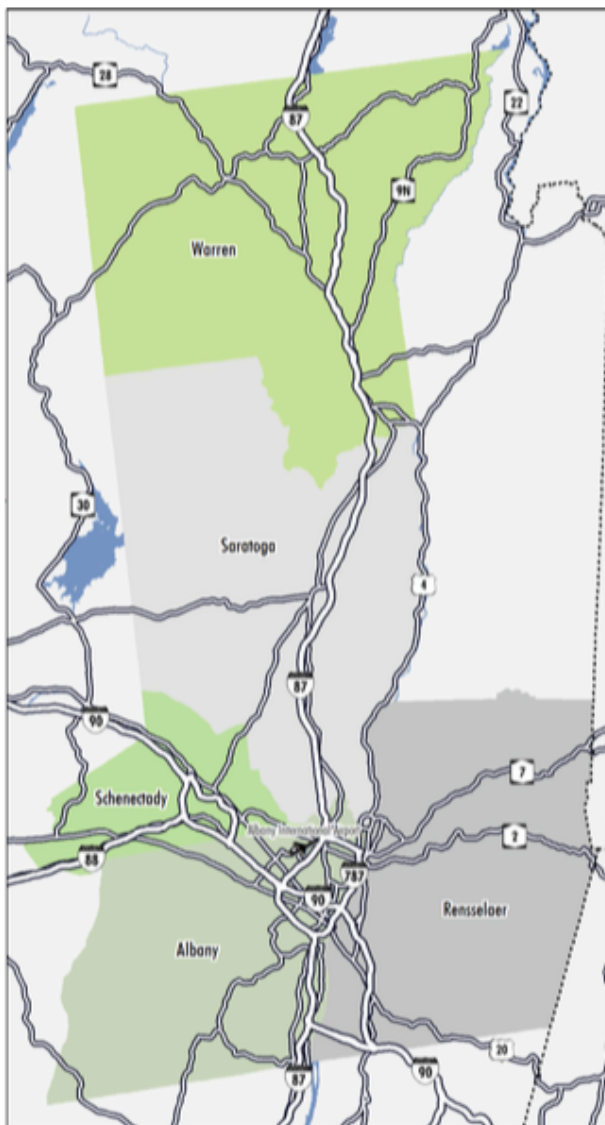


Figure 25 : Albany Capital Region Commercial Market Boundaries

Source: CBRE 2016

MARKETVIEW ALBANY OFFICE					
Figure 2: Market Statistics					
Market	Total Inventory (Square Feet)	Vacant (Square Feet)	Vacancy Rate %	Under Construction	Asking Lease Rates (Per SF, Full Gross)
Albany CBD Total	4,759,818	1,020,900	21.5	-	\$17.31
Class A	1,152,793	334,012	29.0	-	\$22.09
Class B	3,401,738	553,445	16.3	-	\$15.56
Class C	205,287	133,443	65.0	-	\$12.21
Glens Falls	1,126,951	139,719	12.4	-	\$14.40
Saratoga	618,747	10,251	1.7	-	\$22.36
Schenectady	1,943,424	57,510	3.0	70,000	\$15.40
Troy	1,320,751	88,615	6.7	-	\$15.71
Suburban Total	19,589,624	2,240,847	11.4	187,000	\$16.64
Albany	13,965,903	1,852,954	13.3	-	\$16.88
Saratoga	2,655,431	247,531	9.3	60,000	\$16.07
Schenectady	419,976	27,467	6.5	37,000	\$13.99
Rensselaer	2,548,314	112,895	4.4	90,000	\$14.24
Total	29,359,315	3,557,842	12.1	257,000	\$16.74
Source: CBRE—Albany Research, H2 2016.					

Figure 26: Albany Market Office Vacancy and Lease Rates

Rome Market:

Understanding the Impacts in Rome of the Marcy Nanocenter Project dated September 2016 was a report prepared for the City of Rome by Camoin Associates to understand the potential spinoff of the Marcy Nanocenter as it related to office space demand in Rome. The report estimated demand for at least 75,000 square feet in the region from the spinoff effect, however, they also estimated that Rome may only obtain a portion of new office development. Nevertheless, a major announcement was made in December 2016 which has significantly altered the office demand estimate by Camoin Associates in their report, which assumed the

occupancy of the Marcy Nanocenter by AG. Ams announced that it was backing out of the Nanocenter project, and therefore the eventual estimate of 4,000 to 5,000 direct jobs is no longer on the horizon at this time. While GE is still on schedule to be fabricating at Quad C beginning May 1, 2017 and eventually bringing an estimated 850 jobs to the area in the next ten years, it is a small portion of jobs that were anticipated by AMS. Interest continues for the Marcy Nanocenter site, as recently as a Taiwanese's company was inquiring about it⁴⁹, but the shovel ready site has been no commitment on record at this time.

Even if ams AG had not called off their plans to occupy the Marcy Nanocenter, Camoin Associates' previously estimated 75,000 square feet of spinoff regional office demand, may or may NOT all come to Rome. If Rome were fortunate enough to capture all of the demand, all of the anticipated office space could easily be absorbed in the GBTP and/or in available office space throughout Rome. The GLDC advertises on its website that there is 19,000 sf of existing dedicated office space currently available. In other words, there is no reason that the anticipated additional office space would need to be constructed at the Woodhaven Site as there are more favorable options for using either existing available office buildings in Rome, although they are typically Class B and C spaces, or new development could occur in the more symbiotic community of GBTP with better infrastructure and access already in place.

Development/Redevelopment in Rome

Griffiss Business and Technology Park: As of December 2016, 79 businesses occupied GBTP employing 5,784 people. The GLDC was established to oversee the leasing and sales of land and existing buildings in the GBTP in addition to a variety of other tasks. As reported earlier in this report, GBTP has the following office, distribution and warehouse spaces available:

Griffiss Business and Technology Park Available Existing Properties				
Location	Use	Size (sf)	Rent vs. Purchase	Description
5865 Success Drive	Distribution Center	290,560	For Sale	Former Rite Aid Distribution Center
7900 Turin Road/The Beeches	Office	19,000	5-Year Lease Min	Former Professional Center
7901 East Dominick Street	Retail/Office/Warehouse	30,188	Sale or Lease	Former Auto Dealer
Total		339,748		

⁴⁹ Source: Observer-Dispatch, UPDATE: Picente to Electronics Firm: Come to Marcy, Jan. 25, 2017

Figure 27: GBTP Existing Space

Source: Griffiss Business and Technology Park website

In addition, there are 400 acres of land currently available for sale for development, both within GBTP and in the City of Rome. However, as more sites are "cleaned up" and/or obsolete buildings demolished, more land will come available. For example, currently 25 acres are about to come online with the demolition of Building 240, across the street from the Hampton Inn and adjacent to MVCC.

Most of the GBTP commercial space that has been occupied has little to no vacancy.

Rome Supply: In greater Rome, the supply inventory is approximately 1.4 million square feet. However, most of the inventory of office space is either Class B or Class C. The overall vacancy levels are quite low, at 3.8%. It was also reported that the rental rates were averaging \$10.57 per square foot and falling. While this data is not supportive of additional inventory, the mere fact that office supply is so old and outdated does in itself suggest that the inventory may need to grow in order to attract office space users that may consider locating to Rome.

In terms of new supply, none is proposed at this time, but there are sites ready and available for redevelopment at GBTP.

Rome Demand: According to Camoin in the same referenced above report only 8,700 square feet of space has been absorbed per year in Rome for the last ten years. Average rents are reported to be Under \$11 per square foot but asking rents appear to be pushing the rates higher to \$16 to \$18 per square foot per spaces as shown on Loopnet. However, with no new net job creation, it is difficult to support the feasibility of building new office space in Rome, despite the dominance of older office and lesser quality office space.

So the question is, what is needed to drive new space? The answer is more job creation, locally, in the county and the region and then the ability of Rome to capture some of these jobs in Rome itself. As a general rule, the average office worker uses between 200 SF to 250 square foot per employee. Therefore, if say 100 new jobs were created and attracted to Rome, then approximately 20,000 to 25,000 SF would be absorbed. Currently in GBTP, there is a 2-story newer building completely vacant that could satisfy that demand.

Office name	location	description	rent	Available SF	vacancy	Comments
Phoenix Drive	Phoenix Drive, Rome, Griffis park	1 story newer building	\$16-\$18/SF	3500	25%	Tektronix also in bldg.
Griffis Park	Daedalian Drive, Rome	2 story new	\$16-\$18/SF	20,340	100%	

Source: Loopnet

Figure 28: Advertised Griffis Available Properties

Rome Office Market Essentials							
New or Proposed Space 2016	Rental Rates	Inventory SF	Vacancy 2016	ROME Average annual absorption since 2008	Average space in SF per worker	overall discussion	
0	\$ 10.57	1,464,000	4.0%	8700 SF	250	overall market is weak	
Marcy Nano center expected to create demand similar to Saratoga	falling by 12 to 20% from demand weakness	no new space since 2012		mid-scale medical office for multi tenant and clinics has market, especially with aging population		Rome and the County are expected to lose 452 jobs, so no drivers for new space	

Source: Camoin Associates, Eire Blvd BPA Market Analysis: Rome NY November 2016

Figure 29: Rome Office Market Overall Occupancy and rates

Net Absorption (Square Feet)			
	BOA	Greater Rome	Oneida County
2016 YTD	0	4,000	(14,520)
2015	0	(100)	126,801
2014	0	11,828	29,337
2013	0	1,810	(47,968)
2012	0	(328)	(123,217)
2011	0	43,179	9,023
2010	0	7,097	84,485
2009	0	24,985	345,535
2008	500	30,278	181,566
2007	-500	(40,726)	48,895
Total	0	82,023	639,937
Avg. Annual (2007-2015)	0	8,669	72,717

Source: CoStar

Figure 30: Greater Rome Office Space Absorption

Office Inventory by Class (2016)							
Geography	Class A		Class B		Class C		Total Sq. Ft.
	Sq. Ft.	%	Sq. Ft.	%	Sq. Ft.	%	
BOA	0	0%	5,907	7%	78,535	93%	84,442
Greater Rome	0	0%	654,155	45%	809,952	55%	1,464,107
Oneida County	122,760	1.5%	5,596,353	67%	2,654,226	32%	8,373,339

Source: CoStar

Figure 31: Office Inventory by Class

Source: CoStar and Camoin Associates

In conclusion, Rome still has some time before it will be a strong development market. This leads us to assume that the GBTP will only be attractive for new office development once new jobs, in the range of 100, are created which would then support approximately 25,000 square feet of office space. If 400 new jobs were to be created, then a substantial amount of office space, over 100,000 square feet could be supported. Therefore, it is a small dilemma, the market needs the Class A space to be attractive, but the historical job creation is not supportive of its construction. Therefore, a conservative approach would be to wait until jobs are announced and have sites ready for redevelopment within a 12-month period. In the

meantime, 3,500 square feet co-working space would be recommended for the Woodhaven Site for several reasons. First, it is an essential amenity to the Millennials and entrepreneurial workforce that Rome needs to attract and compliment the proposed new housing. Secondly, it is membership driven, so it doesn't need a long terms lease commitment and the overall space is small enough that it would not flood the market.

C. Commercial Real Estate—Industrial including R&D

As presented in the Camoin Associates *Real Estate Market Analysis: Erie Boulevard Brownfield Opportunity Area & the City of Rome, NY*, dated November 2016, the Woodhaven Site also does not support Industrial real estate development. Currently there is excess industrial space available in Rome. And within Rome, the GBTP has both available industrial property and land for development and this location provides superior access through rail, more direct and accessible roadways to access the New York State Thruway and even air access, if warranted. Also GBTP offers a cohesive and symbiotic community with designated zoned areas by use, linked by trails and flanked by amenities such as sculptures and golf course, to name a few, that offers an industrial space users a more desirable location to the Woodhaven Site.

D. Hospitality

National Trends: Marcus & Millichap reported in their 2016 *U.S. Hospitality Investment Forecast* that overall national hospitality trends indicate a rising business traveler trend that will support hospitality demand in 2017.⁵⁰ According to the same source, in 2016 Average Daily Rate ("ADR"), Occupancy as well as Revenue per Available Room ("RevPAR"),⁵¹ key hotels indicators, will reach the seventh year of consecutive growth in 2016 but these levels are expected to taper in 2017. Based on the strong past performance, over 100,000 rooms are expected to come on line, resulting in a 1.6% increase in supply. National average occupancy is expected to be around 65.9%, therefore, any local occupancy figures above this rate would indicate trends locally that are beating that national average. National average ADR was \$125.41 in 2016 and is expected to continue to rise. RevPAR is expected to increase over the 2016 level of \$82.64. Again, national rates are baseline to local and regional rates.

Anticipated stable hiring and modest economic expansion with wage growth and relatively low

⁵⁰ Marcus & Millichap, 2016 U.S. Hospitality Investment Forecast

⁵¹ Definitions: ADR –average daily rates, room revenue by room sold; RevPAR- revenue per available rooms, which is calculated by room revenue divided by rooms available. Occupancy is rooms sold divided by rooms available.

gas prices lead the economy into the seventh year of expansion. This expansion supports business hotel usage.

In 2015, U.S. leisure and business travelers hit the road in greater numbers and generated record levels of room nights and room revenue. Brands continue to open new locations but these new openings led to slower growth in 2016 with over 110,000 new rooms. As such, in 2016, hotels employed pricing power to keep occupancy levels high. End of Year 2016 occupancy is expected to be 65.9% but pricing will flatten. Most new rooms are select-service tier and mostly in the largest 25 U.S. markets. Lastly, the strength of the U.S. dollar will low visitation from visitors from abroad including Canada.

In terms of investment outlook, Marcus & Millichap are reporting that in 2016 the market is active for the extended stay category of hotel, especially on the upper midscale and upscale brands. Tight conditions in the overall apartment sector will continue to support demand for short term accommodations provided by extended stay assets including Homewood Suites and Residence Inn and this offers opportunities for new investment.

Northeast Region Hospitality Trends

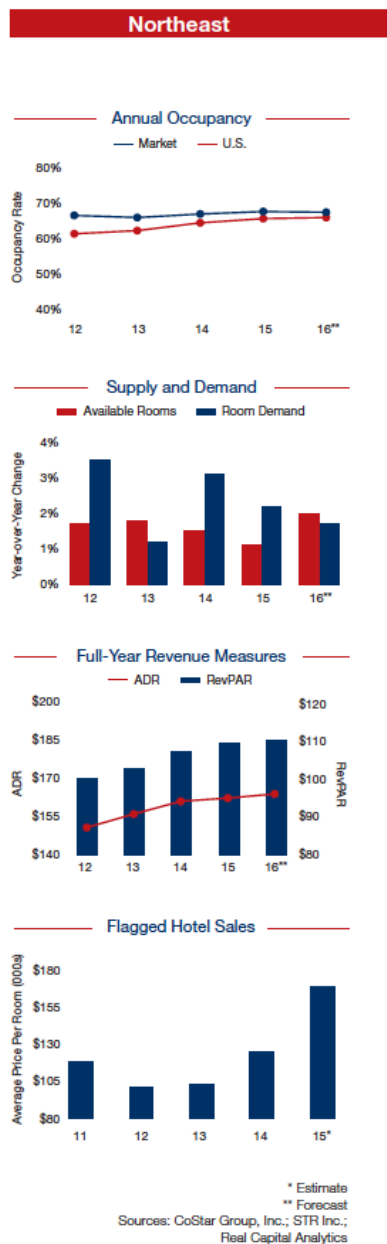


Figure 32: Northeast hotel trends

However, according to Smith Travel Research ("STR"), higher rate domestic business may increase demand to balance drop in foreign visitors, especially Canadians. To encourage visitation, even numerous soft brands have provided an alternative value enhancement strategy

for investors who are interested in unaffiliated brands. Trades in upper midscale hotels were unfaltering demand especially for chains. Typical pricing was strong starting at \$70,000 per key for sales.

In the Northeast region, 24,000 new rooms are expected in 2016. Annual occupancy is expected to slip to 67.2%, which is still above national baseline. ADR will advance, with most demand and room rate increases coming from New York City.

Local Rome Hotel Market: Rome is included in the greater Utica-Rome MSA. With Rome and Utica only 16 miles apart, the demand for room nights may come from the same demand sources at times. In addition to the Utica and Rome downtown markets, there is also a casino market in nearby Vernon, which may induce overflow demand for rooms in Rome and Utica during peak demand periods.

However, there are two key demand drivers for hotel rooms, business and leisure. As Rome is not a significant resort or destination market, it would be expected the new hotel investment and the demand for rooms would be generated from business travelers as a primarily source. Casino hotel demand is mostly being met by Casino hotels.

There exists over 50 properties within 30 miles of the Woodhaven Site, yielding a supply of 3,000 rooms. The properties range from independent motels in the economy range that are over 50 years old, to several that are mid and upscale branded properties. Within Rome, there are two more mid-tier branded properties, the Hampton Inn and The Wingate by Wyndham, which offer a total of 174 rooms to the typical business traveler to the area. In addition, there is an independent product called Griffiss Park Suites, which targets long-term stays, with a minimum of a one-month commitment. Overall, these two (2) hotel products are 63,510 room-nights and the long-term rooms account for 35,405 rooms nights. While the total room-nights are almost 100,000 from these three (3) key properties, overall, the choices are limited, especially for long-term business occupancies⁵². There are superior products in the brand extended stay market that offer significantly more amenities to the long-term traveler than Griffiss Park Suites, which their management reports have an almost sustainable 100% occupancy at a rate of approximately \$35 per night for furnished one bedroom suites. The Hampton Inn management reported that they also get extended stay visitors at their property. Even local apartments sometimes absorb long term hotel stays when the market is saturated.

⁵² STR Trend Report, March 2017

Rome Comparable Hotel Demand Market: Data was analyzed from STR for the most comparable, mid and upscale properties located in Rome and Utica and not directly associated with the Vernon, NY casinos. These properties provide a reasonable assessment of the occupancy and rates that would be available to a new hotel property if built at the Woodhaven Site. In addition, only brand name hotels were selected that have significant marketing and brand recognition. Brands represented were Hilton, Marriott and Wyndham, Radisson and Intercontinental. Economy, independent and casino properties were not requested in the report as they were anticipated to skew results.

Overall, for the selected hotels, occupancies are on the rise and almost at national averages, which is significant for an upstate NY hotel market. In addition, along with 65.5% occupancy, their ADR average and best rates are lower than national averages, but rising, which are positive demand indicators. Room night demand is rising as well which indicates support for these properties.

Most room night demand comes in August and September which generally represents a waning leisure market and an uptick in business clientele. An examination of the most popular occupied nights indicates Tuesday and Wednesday, which is typically when business travelers stay at hotels. However, the highest room rates occurred on Saturday nights, which represents the leisure traveler as business traveler usually book rooms at lower negotiated rates.

Findings: Overall, there is sufficient demand in the hotel market to support a new hotel. However, caution would be suggested as 100 new rooms in the market would represent 60,000 room nights which at 65% occupancy, that is 39,000 room nights which is almost a 37% increase in filled rooms over the existing 5 hotel properties that reported filled. However, what can be noted is that all of the competitive supply for the 3,000 total rooms in the Rome-Utica market is either one of the following:

- Economy no brand affiliation—generally lower rates and occupancy levels, 25% to 30% of total room supply
- Mid and Upscale brands linked to the casinos represent 10% of the rooms listed in the Rome competitive market
- The remainder, 55% to 60% are brand affiliated mid and upscale brands
- There is only one property, Griffiss Park Suites, that has no brand affiliation and meets the extended stay market at approximately 100 Rooms, or 3% of the 3,000 rooms and reports almost 100% occupancy

Therefore, the findings would indicate that the optimum new hotel product would be in the

upscale extended market property type. This new supply should be similar to a Marriott Residence inn with 1 bedroom and studio apartments with kitchen and washer/dryers. The rooms should be approximately 100 rooms new to the market, with pool (indoor), fitness and meeting room amenities. Room rates would be expected to be on the higher end, starting at \$123 ADR.

STR data summary			Peak Month
March 2017	Average	High	(August/September)
Occupancy 2015/2016	63.50%	65.50%	73%
ADR	\$115	\$117	\$123
RevPAR	\$73	\$77	\$99
Supply in room nights	165,382	177,390	NAP
Demand	105,027	116,120	11,171
Revenue	\$12,000,000	\$ 13,600,000	\$ 1,372,999
Total 5 properites and 486 rooms			
Typically best months August and September			
Tuesday and Wednesday are most occupied			
highest RevPAR is Saturday night			

Figure 33: Smith Travel Research Summary of Data from Selected Hotel Properties

Rome, NY & Area Hotels--Comparative Supply (Compiled by TWG March 2017)

Hotel Name	Address	Affiliations/scale	# Rooms	Year Built/ Renovated	Google Published Rate	Trip Advisors Published Rate	Google Review	Trip Advisor Rating (*Rank)	Distance to Griffis Tech Park	Comments
Hampton Inn Rome	1352 Floyd Ave, Rome	Mid upscale brand Hilton		98	2014 \$	119 \$	209	4.6	4.5 (1)	0.5 Interview with Kim Copeland at the hotel; Trip Advisors rate higher than achieved
Wingate by Wyndham Rome	90 Dart Circle Rome	Mid upscale brand		76	2008 last major renovation \$	101 \$	152	4.3	4.5 (2)	1
The Beeches Inn and Conference Center/Inn at the Beeches	7900 Turin Road, Rome	Independent	70 Incl. 7 extended stay rooms	1955	\$	102 \$	102	4.10	4.0 (3)	2 exterior corridor motel; wedding venue target audience
The Rome Motel	8257 Turin Road, Rome	Independent economy			\$	70 \$	60	4	3.0(4)	
Quality Inn	200 S. James St., Rome	Choice hotels brand		104	1963 \$	81 \$	76	3.3	2.0 (5)	0.5
Relax Inn	145 E. Whitesboro St., Rome	Independent economy		57	1975 \$	64 \$	64	3.5	2.0 (6)	1
Red Carpet Inn	799 Lawrence St., Rome	Economy chain		27	1965 \$	47	NAV	2.8	1.5 (7)	1
Griffis Park Suites	80 Geiger Rod, Rome	Extended stay, independent efficiency apartments		97	\$	35	NAV	3.2	NAV	0 rents monthly-- converted dormitory, mini fridge, burner plate-- min 30 day booking
Vernon, NY:	15 miles SW--20 min drive to Griffis Tech Park									
Fairfield Inn and Suites	5280 Willow Place, Verona	Upscale Marriott brand		93					15	Bible conference center
La Quinta	5394 Willow Place, Verona	Midscale		97					15	
New Hartford/Utica, NY:	15-20 miles SE, near Marcy Nanocenter, 20 min to Griffis Tech Park									
Holiday Inn Utica	1777 Burrstone Rd. New Hartford	Upper midscale, Intercontinental brand		100	1990 \$	113 \$	143		18	Intercontinental Brand
Fairfield Inn and Suites Utica	71 N. Genessee St. Utica	Upper midscale, Marriott brand		79	2015 \$	134 \$	166		15	Marriott Brand
Radisson Hotel Utica Center	200 Genessee St. Utica	Upscale brand		162	1981 \$	139 \$	95		16	Brand
Hampton Inn Utica	180 N. Genessee St. Utica	Midscale upper		83	1990 \$	129 \$	118		15	Hilton Brand Just opened
TownePlace Suites	4760 Middle Settlement Rd., Whitesboro	Midscale upper Marriott Brand, Extended Stay		85	2017 (April)				14	Extended Stay property; Rates range from \$149- \$164 per night
50 Properties				3,000	Total Rooms Tracked by STR within 30 Miles					

Figure 34: Rome Hotels, data compiled by TWG

Source: Each respective hotel website; TripAdvisor; Google

E. Retail Real Estate

Overview: Consumers are increasingly using their mobile devices as the shopping process evolves. However, when shoppers go to a physical store, they expect a more personal shopping experience than ever before.⁵³ There are “7 Under The Radar Retail Trends for 2017s” posted by Forbes that Rome should consider:

1. Menaissance. Men are spending more, 13% more than woman. This is important when deciding how to mix stores and target a future audience;
2. Getting personal, artificially: Consumers have a digital footprint and it gives retailers access to offer their selection of products and increase sales;
3. Co-shopping means growing carts: Even regular shopping such as groceries is beginning to be divided up by family members. 60% of houses share shopping responsibilities, especially grocery. This could mean more sales;
4. Leaving home without it: People will begin to ditch the wallet and use mobile wallets. Many retailers are already using this by having easy to download apps for the purpose;
5. Small will be the next big: Demographic shifts, with aging baby boomers and the large and young Millennials and expectations will favor products and services that only local small business can provide. This will be extremely significant for Rome, which can leverage this trend by attracting local and unique retailers to any new programs;
6. Crowdsourced goods: This is all about democratizing access to people so now any brand, can affectively have direct and a real dialogue with it communities on a broad scale;
7. Digital marketplaces will rule: This means speeding up the back end process and getting consumers the products they want in the market place faster.

“What else?” What Forbes did not mention, was the continued trend of Amazon and online shopping to take sales away from brick and mortar stores. Amazon stands alone as the largest online retailer. Amazon does many things right from product reviews, to recommendations and most of all, fast delivery. This makes online shopping very much able to compete with the majority of brick and mortar shopping. Amazon offers small retailers the ability to gain a global

⁵³ Forbes.com, Dec 28, 2016, “7 Under the Radar Retail Trends for 2017”

market. And now, if Amazon was not taking enough sales away from brick and mortar, it is opening a fleet of physical stores, primarily focusing on grocery. Overall, in terms of online sales, Amazon accounts for over 43%. In terms of online sales, the US Census posted that online, e-commerce sales accounted for approximately 9% of all retail sales and growing. As such, physical stores need to offer retail that is difficult for Amazon to compete with.

For Rome, the last trend is noteworthy. In a small regional market of approximately 62,000 people within a 30-mile drive, it is much easier for an online retailer to make an impact. It costs a lot of capital to set up a physical store and in a smaller market, this can be risky. Therefore, these trends are suggesting that Rome and new retail focus on physical retail that is unique and local and convenient, such as local produced groceries, creameries, secondary market organic or natural local goods. Millennials love organic, natural, local and sustainable, from IPA beer to Chobani yogurt and more. In addition, the other big necessity is grocery, which is something the online retailers haven't quite figured out yet. Lastly, food and beverage outlets, such as bar, restaurants and pubs are experience oriented retail space and there is nothing that e-commerce can do to compete in that marketplace. Since Rome is sandwiched between beer trails, pub/beer/grill and even wine bars could be a hit.

A further analysis was made of retail trends from a variety of sources. There are a few common threads that emerge. For example, Millennial is the demographic to watch. Urban and unique retail experiences were often noted. While Millennials are the demographics that need to be attracted back to Rome, offering them a unique, urban shopping experience is something that Woodhaven Site can accommodate.

Retail Trends that Drive the Future of Retail				
source	trend	data	favoritism	examples
newsroom.synchronyfinancial.com	urbanization	between 2014 and 2050 urban dwellers will increase to 66% of worlds population from 54%	urban location	
newsroom.synchronyfinancial.com	aging means shift to the city		urban locations	
newsroom.synchronyfinancial.com	urban consumption will be the global retail driver with 32 cities generating 25% of worlds retail sales		more downtowns	
newsroom.synchronyfinancial.com	Millenials are driving retail	9 million will increase spending by \$10,000 more each year	authentic experience in fast convenient way. And use mobile devices to purchase	
newsroom.synchronyfinancial.com	e commerce is now 9% of retail sales.		every brick and mortar retail needs a strong e commerce presence	
	pop up shops	18% of urban millenials export to shore in urban stores and want a unique experience .	short term urban invest.	Christmas clothing shops, cashmere shops, holiday focused shops
	indoor food markets		works in urban locations well	
	co-working and incubator spaces		urban location something funky from the west coast that could work here	
	Donation based coffee shops			
mediapost.com	experience based stores		urban, but unique and harbors	Bass Pro, and little Bits(circuit building, fall into the gadget category)
mediapost.com	smaller formats			urban Wal-Mart and target
mediapost.com	shrinking flexible and focused is urban theme			
mediapost.com	live, work play--need job growth, walkability and mass transit			

Figure35: Retail Trend Drivers

Retail Demand: Based on the earlier discussion relating specifically to retail demand in Chapter 4 of this report, Demographics of Development, it is estimated that between 27,000 and 39,000 square feet of new retail is in demand for Rome, with the strongest focus on food and drinking establishments as well as grocery.

Below is a sample of currently available retail space in Rome. An analysis was also performed, on a broader scale, of thirty properties for lease in the Rome-Utica market. Overall the rental rates in Rome are mostly asking \$12 per square foot but the range is from \$6 per square foot to over \$15 per square foot for New Hartford. Generally, there is a significant amount of available

space, and based on the thirty properties, the average vacancy is 58%, which is very high. The other commonality is that all of the retail is located in primarily unappealing strip centers with very few anchor tenants except for the former Office Depot site, which abuts a Wal-Mart.

In summary, based on properties available in Rome, the demand is not exceeding supply, but the Class B and C type of retail supply does not appear to be in synch with the Class A retail that is trending in today's market. None of Rome's retail is really urban, hip or unique. Therefore, while the demand is not suggesting a pent up market, it is suggesting that most of the retail is obsolete and whether or not there are vacancies, new Class A space is required to meet the previously calculated demographic retail demand.

Type	Street	City	Size SF	Rent	Est. Vacancy
New retail neighborhood strip center	Dominick	Rome	8370	\$12.50	56%
Rome Shopping Center	Taberg Rd	Rome	4700	\$12	24%
Strip center	E. Dominick	Rome	7100	\$6	100%
Former Office Max	Taberg Rd	Rome	23500	NEG	100%
Dunkin Donuts	Erie Blvd	Rome	3700	\$12	
Glenwood Shopping Plaza/community Center		Oneida	22500	\$8.5 to \$14	10%
Source: Loopnet.com					
Number of total retail properties	30				
Total SF available	54,000				
Rental Range	\$6.0	\$15			
Average vacancy	58%				

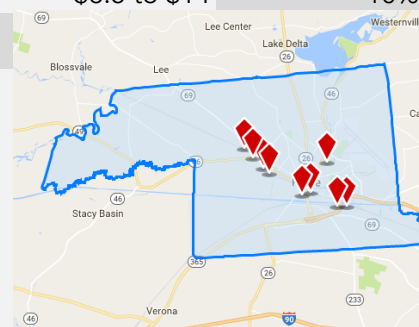


Figure 36: Retail Space in Rome Sub-Market, Sample of Available Space

Retail Supply: Within the greater Rome retail market that includes Rome, New Hartford and Utica, there is at least 2.3 million square feet of retail malls. The malls range in size from small big box stores such as the 65,000 square foot Bass Pro in Utica to the 880,000 square foot regional mall called Sangertown Square and several community centers and strip centers from 20,000 square feet to 400,000 square feet.

The largest mall is Sangertown Square in New Hartford. It is an upscale mall and is anchored by CVS, Dicks Sporting Goods, Macy's, JC Penney and includes a Target. Offerings include everything from clothes, sporting goods to household items and a pharmacy. It is highly trafficked and tenants that are inline small stores are renting for \$160 per square foot to larger footprints at \$36 per square foot and to \$18 per square foot for anchors. Generally, the rents are triple net, which means the stores all pay utilities and common charges over their base monthly rent. The inline store rents are high for this region and would suggest sales need to be over \$400 per square foot to survive at that rent.

The other mall rental rates appear to range from \$12 per square foot to \$18 per square foot but the lowest is \$6 per square foot for some neighborhood strip centers as reported on LoopNet.

ROME MALLS						
Name	Location	Size SF	Description	Rent	Vacancy	Key Tenants
Rome Shopping Center	Taberg Rd, East Rome	20,000	strip center	\$ 12.0	23.5%	
Mohawk Acres	Black River Blvd, Rome	156,000	Newer community Center, leasing by Brixmor	\$ 12.0	17.9%	Price Chopper, payless shoes, UPS store, Weight Watchers
Westgate Plaza	Erie Blvd W, Rome		ugly dated discount neighborhood center	NAV		cinemas, neighborhood center, Big Lots, Pzza Hut and Mc Donalds
Freedom Plaza	Erie Blvd west, Rome	213,000	Community Center that is well anchored	NAV	10.8%	and Brenda's Natural good across the street
Walmart Supercenter	Rome Taberg Rd, Rome	200,000	Discount department store--with poor retail	Owner occupied	0.0%	includes Tire and lube
Consumer Square	New Hartford	200,000	big box center'	NAV		Olympia Sports, Barnes and Noble, Pier 1, Bed bath and Beyond, Best Buy, Michaels crafts, Chipotle, Panera Bread--known for its plus size clothing
New Hartford Shopping Center	New Hartford	400,000	Community Center	NAV	1.3%	Herb Philipson sporting goods is key anchor'
Sangertown Square	new Hartford	880,000		\$100/SF for mid size stores and \$36/SF for mid size stores like H&M, and less for anchors, probably most expensive space in the region	Sears closed mid 2015 but was almost immediately replaced by Boscov	Pyramid companies regional mall ANCHORED by best buy, CVS, DICKS, food court, JC Penny's, Macy's, Payless shoes, Target and indoor play area called BillyBeez
The Orchard	New Hartford	205,000	Community Center	\$ 18.1		75 stores including Kohl's, Ann Taylor Lofts Coldwater Creek
Bass Pro Shop	Utica in the Riverside Center at corner if 190 and route 5	65,000		NAV	0.0%	built 2014
Crossroads Plaza	New Hartford	91,000	Neighborhood center	\$8 to \$12	15.4%	
				Rental range \$6/SF (low end per LoopNet) most \$12/SF to highs c \$160 in most traffic are malls 0% to 18%		
Estimated Total Mall Square Footage		2,319,000	Range of Vacancy			

Figure 37: Rome Malls

Source: Individual mall websites and www.oneidacountytourism.com/shop/malls-and-shopping-centers

Within a 30-mile time of the Woodhaven Site there is a fairly even supply of retail for demand with approximately 424,000 square feet of additional retail supported in the supply market. Within 15 miles there is a similar situation. The most likely categories of opportunity, which combined within a 15-drive distance, have 230,000 square feet of targeted retail that is supportable. Naturally, Rome and Woodhaven cannot capture all of the leakage, but it indicates that spending dollars are being spent outside the analysis area and therefore can be potentially re-routed to spend within the analysis area.

In terms of new supply or future completions, the City of Rome needs to consider that there are many projects under consideration in both Rome and neighboring areas that may be considering the same potential demand to support the proposed projects, regardless of type of real estate use. For instance, there are multifamily and retail uses being analyzed for development at the City of Rome Downtown and BOA site. Other announced projects that may also include retail are:

- Downtown Rome BOA -- 513 acres characterized by 364 potential vacant sites located within the City center, near the Erie Canal and Mohawk River, and the East Rome business park. The primary revitalization objective is to clean up and redevelop strategic sites for a variety of residential, commercial, office and recreational uses.
- Doyle Hardware, Utica. This is a mixed use 55 apartment building with retail. The retail will probably not be significant to affect Rome.

Finally, given that demand for retail for the Woodhaven Site has been established, some examples of some unique offerings may include:

- Farmers market or festival market place (year round)
- Mixed farmers food market on a large scale
- Unique restaurants, bars, pubs and grills
- Convenience retail to support apartments on site
- Food and grocery, unique and mid to smaller footprint, such as Trader Joes or Aldi

7. Comparables for Development

The Woodhaven Site is a unique 110 plus-acre site near downtown Rome and abutting the GBTP. It also flanks the Mohawk River on the northwestern edge of the site. Challenges

include limited bus/transit service to select areas of the site (which may change when developed), good road access on the northern side of the site and an active airport to the east. To the north of the site are hotels, and active Route 46, a community college and other services. The central business district is approximately 0.5 miles southwest of the site. In summary, the Woodhaven Site has many assets and challenges and it is located in upstate NY with an encatchment area of approximately 62,000 persons. So while the site is large, the pool of residents and workers is relatively small, in terms of density.

In order to support the demographic and economic analysis and the real estate analysis with similar success stories, an overview of recent comparable projects was performed to suggest a potential image, uses, density, transit and other variables from which the Woodhaven Site may draw upon as examples of solid planning, financial options, density, and economic development impact. A matrix was prepared arraying four (4) comparable projects in the eastern United States. No comparable will be exactly like the Woodhaven Site, but there are similarities and very good lessons learned.

1. New Town, Williamsburg VA
2. Avalon, Alpharetta, GA
3. Storrs Center, Mansfield, CT
4. Kings Lynne, Lynn, MA

New Town was selected because the plan was set in a community that had very little development over the centuries and was surrounded by water (Chesapeake Bay head waters) and farmland. However, Virginia along the I-95 corridor, is quickly growing as bedroom communities to Washington D.C. As such, there was ample land with a potential to create a new urbanism environment from scratch. New Town has done this with a combination of commercial development, including ample retail, apartments and town homes. The core of the site is dense, rising over 5 stories with residential over retail and commercial. The design has a New England, colonial feel in keeping with the style of colonial Williamsburg. The density is enough to bring activities to support the retail and yet the atmosphere with style and parks is interesting enough to bring in traffic from visitors. Since Williamsburg is a tourist destination, the retail in New Town also is supported by visitation.

Avalon in Georgia was also a planned development from scratch. Atlanta is a growing tech and commercial center of the south yet there was no housing, outside the urban core, that was

appealing to the Millennial workers that are need to fuel tech employment. As such, Avalon was designed as a mini-urban center complete with apartments, retail and some office commercial. But it's real key to success is its workable/park atmosphere that makes it a destination to residents and visitors. People love the experience. It is approximately the same acreage as the Woodhaven Site, but the commercial components are more than the Woodhaven Site could support.

Storrs Center is an interesting comparable because it is also a new town center created from an old strip center near a university in the middle of an agricultural community. It was designed to meet the residential needs of the university but is so successful as a new urbanism example, that the retail and atmosphere is the hub of activity for Mansfield.

Kings Lynne is north of Boston. It was also an old colonial settlement but obtained a gritty backbone over the years. A public housing project that was originally successful had become partially condemned and boarded up. Residents, from within the community, started a plan through a grant, to rebuild the housing and community. Now, a subsidized housing community looks like a mid to upscale community complete with amenities such as pools, tennis courts, parks and more. It is a great example of how an obsolete community can be repurposed to be successful in today's environment.

Woodhaven	Comparable 1: New Town, Williamsburg, VA	Comparable 2: Alpharetta, GA	Comparable 3: Storrs Center, Mansfield, CT	Comparable 4: Lynn, MA
2020	New urbanism village, phased approximately 2000	use town center 2014–AKA, "urban village"	2016	process started in 1970 to take the site change it from 1/4/ abandoned and condemned to revitalized
Repurpose of site of small home once housed Griffis Air Force workers.	develop a new urbanism housing and environment for the Town that had been underdeveloped for centuries	to provide housing and a destination to high tech workers in Atlanta	to provide housing and amenities to a university	to transform a poorly managed, partially vacant, public housing that was partially condemned and develop America Park thriving and a mixed income community
Mohawk Edge, City of Rome	Endowment Association of the College of William and the C.C. Casey Limited Company	North American Properties	EDR and Leyland Alliance	Corcoran Mullins Jennison, Boston
MF housing, townhouse, hotel, SF retail, Co-working space, marketplace, parks, trails, farmers market space	300,000 SF of retail walking and bike trails, SF of office and research space, park's, school, movie theater	2.3 Million SF Inc. 390,000 SF of experience based shopping and dining, 105,000 SF of loft space, 250 upscale apartments, 101 S homes. And a 330 room hotel	625 apartments, 139,000 SF of retail, 41 townhouse and condos. New grocery center, bookstores	273 multi family unit and 168 townhouses
110 + acres	350 acres	86 acres	48 acres	58
Rome, NY, just east of downtown abutting Griffis Tech. Park, MVC trail network	Williamsburg, VA	Alpharetta, GA, 25 miles from downtown	Mansfield, CT	Lynn, MA, income restricted community
on site	private at units, on street and under building	structured, street and private for homes	on street, parking garage	free on site
TBD	NAV	Phase 1 was 2/3rd equity totaling \$200M ; \$131M in traditional debt from Wells Fargo BoFA	EDR is a REIT	LHAND
some bus stops	cars and buses, but designed as a walkable community	walkable surrounded by driving communities	UConn shuttles	buses near T. Commuter Rail
1/4 mile east of downtown	Between the York and James River, original fortified Colonial Settlement	affluent Atlanta suburb	new village in agricultural college setting	urban, but pools, tennis, parking , community room, basketball
Griffis tech park	next to College of Williams and Mary and Botanical Gardens and historic sites	20 miles N/E of Atlanta	college campus and nature preserve	near Ocean, 10 miles north of Boston
62,000 within 30 mile drive	14,000 but 4 million annual visitors	62,000	25,000 students and 25,000 residents	90,000
proposed to primarily serve millennials, and empty nesters a retail for all residents and create lifestyle destination	proposed to serve people who live and work in the region and privately there was no "new urbanism" development, just houses in the country	affluent and educated	farming, students, faculty, local residents	large Jewish immigrant population from 20th century, also Polish and Italian
Woodhaven	Comparable 1: New Town, Williamsburg, VA	Comparable 2: Alpharetta, GA	Comparable 3: Storrs center, Mansfield, CT	Comparable 4: Lynn, MA
primary over 25	families to empty nesters	all ages, primarily Millennial	all ages	all ages
there are almost no mid or upscale, for years the town was sleepy, but need apartment rentals that have a big boost of new housing to support the largest amenities as herein proposed	destination in the Commonwealth of VA	yes, no place where you could go to a walk experience based town.	yes, very limited decent student housing town center–it was previously a strip retail center	25% of original tenants still live there housing is much improved
not too much to take steam from Griffis, but enough to garner attention from the younger workforce	Small office, lots of concentrated retail and restaurants, very appealing	43,000 SF rented by Microsoft	medical, grocery, books, convenience, needed	no commercial
Not yet built	Nice quality colonial look with a modern twist	Plaza and green, fountains, plug and play entertainment on green, ice rink	fitness, retail, parking, on site manager concierge, new and secure housing	pool, tennis, basketball, fitness
transportation improved	Buses and cars, but very walkable	walkable but surrounded by driving communities	university shuttles	MBTA
essential	yes	new neighborhood, but size and scale is enough to provide 24 hour activity and a new urban atmosphere	New England look	Colonial town and industrial past
				

Woodhaven Riverwalk Revitalization Strategy

Market Analysis

Figure 38: Matrix of Comparable Developments

Source: Project Individual Websites, Compiled by TWG

8. Findings and Conclusions

Based on the real estate development analysis, there are some areas of real estate opportunities that the Woodhaven Site can leverage and there are some caveats, and limitations that need to be addressed as well.

Economic Findings: Overall the regional economy of Utica-Rome is growing but lags behind the State of New York and the United States. According to the New York State Department of Labor, eight of the thirteen metro areas in the State of New York added private sector jobs over the last year (February 2016 to February 2017) at a faster pace than Utica-Rome. The most significant potential to boost employment and the regional economy will come with a tenant to the Marcy Nanocenter site. Although the community was disappointed about the withdrawal of ams AG in December 2016, in the long term it is expected that an estimated 5,000 jobs will be created in this tech-related industry as other tenants eventually come to this site.

Outside of the local casinos, the other major employment center of interest is the GBTP which recaptured not only the 4,500 jobs lost from the Griffiss Air Force Base closure in 1995, but currently has over 5,700 employees. The GBTP has significant growth opportunities, for example, the federal governments' recent renewal of GBTP as one of six unmanned aircraft systems ("UAS") sites nationally, both in terms of actual space and job creation option, and may even one day include the possible opening of the airport to commercial traffic.

The Woodhaven Site has close proximity and strong synergies with the GBTP. There are many potential engineering and tech job opportunities at GBTP but the inventory of housing to match the workforce is missing. As such, there is an opportunity for new development at the Woodhaven Site to provide housing support to GBTP as well as to a lesser extent, the eventual new workers to the Marcy Nanocenter and Quad-C. There are also some small and mid-sized commercial opportunities, such as Makerspace and Co-working space, that could leverage the jobs created at multiple locations by supporting innovation and incubation of industry.

Demographic Findings: Overall, the demographics of the City of Rome as well as the region indicate a population that is declining slightly but with household income that is approximately the same as the U.S. averages. Major disparity and limitations on economic development are noticeable in terms of education with the local and regional population coming up short in terms of bachelor and higher degrees. While recent history and the decline in manufacturing may have signaled young and educated populations to leave the area, the Marcy and GBTP workforce hubs need the educated individuals. Once again, the opportunity appears to be in the development of housing and amenities that would be attractive to this educated workforce that may be currently living outside of Rome where there may be interesting housing stock with urban and hip amenities, even in such far away locations as Syracuse.

Real Estate Findings: In terms of real estate, the market data shows potential for multifamily housing. This real estate category has the most real estate market data support of all real estate uses and is uniquely positioned to promote economic development by adding inventory to support regional job creation. However, more upscale, hip apartments, offering different size apartments, as well as complementary perks like recreational amenities and convenience type of retail, is needed to differentiate this apartment complex from others under consideration or already developed in the nearby markets.

Multifamily: There are two major sectors to residential, multi-family rental apartments and single family/townhomes/patio homes. Overall, the multi-family apartment rental is the most in demand nationwide and appeals to a demographic that Rome needs to attract, young college graduates and Millennials. Empty nesters are also a demand generator of the same products. The existing supply is very low on new, amenity rich, multi-family units. Demographics support new build. Meeting the needs of jobs created or eventually estimated at Marcy and GBTP also supports new build. Most of the existing supply is single family residential, and while older in stock, it is not the supply that is appropriate for a more commercial location, as the Woodhaven Site, and will require significant infrastructure without the density to create economic development or support of significant retail. Therefore, the findings support at least 150 units of upscale amenity rich apartments, primarily based on demographic (population) and workforce capture and affordability, phased over time and another 50 clusters townhouses that would appeal primarily to the empty nesters and young families.

Hospitality: Based on the trends in the market and local ADR and occupancy rates, a new upscale extended stay hotel in close proximity to GBTP would be in demand in the range of 100 keys complete with plenty of amenities including pool, restaurant, fitness and access to trails and shuttles to GBTP.

Retail space: Retail is interesting in terms of market support. Based on the demographic data, an estimated 27,000 to 39,000 square feet of retail is supportable based on spending income. There are certain unique categories that could be considered if programmed so as to not compete head on with the typical mall. An indoor/outdoor all season, large-scale farmers' market with specialty food and restaurants would be the most highly recommended. For example, convenience is needed to support the residential but also the need to create an active existing environment is crucial. Given Rome's proximity to the New York Beer Trail and even wine trails, there could be a linkage between local pubs, grills and the State support of this unique and regional industry. Nightlife, restaurant and pubs on site are essential ingredients to support the residents, and create a draw.

Commercial Space: Office and Industrial/R&D space has some market support but clearly would be in direct competition to available space at GBTP where there is already significant R&D and office clustering. Therefore, no office or R&D is recommended for the Woodhaven Site, except for Makerspace (linked to the local high school and community colleges) and Co-working space, as an office attraction for skilled workers and as a multi-family amenity.

Other: In addition to the market-supported real estate, it is recommended that event generating uses be a supplement, such as a year-round farmer's market. According to the City of Rome website, at this time, only a weekly farmers market is in operation in season. A year-round permanent farmers market would be suggested as a way of generating visitation and the market would appeal to the same residential audience that is being suggested for the Woodhaven Site.

Conclusion: To compliment the discourse related to real estate supported by market and economics, two distinct deliverables were developed to aid the planning process. First, a summary program for the Woodhaven Site arrayed by Live-Work-Play to distinguish between the residential market supported elements, the commercial real estate elements and the recreational amenities.

Rome Woodhaven DRAFT program March 2017									
Description	type of units	Target Audience	Units	Total SF Supportable	Typical rental rates	Size per unit	total units supportable	Discussion of Market Support	Amenities
Live Multi family rental housing	1 and 2 bedrooms	Millennials 25 to 35	150 units total	179,400	\$1,300	1 bedrooms 70% @ 800 SF and 2 bedrooms 30% or less @ 1000 to 1200 SF		Must be phased, 50 units to start.	Terrace, common pool, club house and fitness center, access to trails, access to co working space and retail and food and drinking on site
MF housing	2 to 3 bedrooms	Empty Nesters over 60	50 units total	137,500	\$1400 to \$1500	2 to 3 bedroom units, 1000 SF to 2000 SF, apartments and town homes		apartments or townhouse	similar to rental housing
Retail Amenities for Housing, hotel and visitors		Millennial, empty nesters and local businesses day workers	37,000 SF	37,000 after initial phase of housing	\$15 to \$20/sf		total 37,000 SF in phase 1 supported by new MF units on site and based on income capture		Food and drinking places, specialized grocery, convenience store, laundry, pharmacy with PO, hair salon
SF housing	3 to 4 bedrooms	empty nesters	0	0	not recommended			Dominant housing type is moderately priced SF housing. Local developers activity building units elsewhere. CBD needs density of housing to bring more residents in CBD to support retail. Lastly, potential to reopen airport is a planning conflict given noise with higher end housing and thus should be avoided	
Work Co-working space	1 based on membership with coffee shop and book exchange		3500 SF		3,500 \$200/month	3500 SF		Complimentary space and overall office maker has no support for new build	essential amenity to attract Millennials and foster new business
Maker space linked to HS Hotel			3500 SF		3,500			Maker spaces represent the democratization of design, engineering, fabrication and education. They are a fairly new phenomenon, but are beginning to produce projects with significant national impacts.	
Upscale extended stay		business clientele	100 rooms		\$120 to \$140 per 60,000 night	studio and 1 bedroom suites, typically 450 to 600 SF each	100 rooms plus amenities		Branded, such as Marriott Residence INN
Play Tourism	use events								
Outdoors	trails								Connections to trails is ESSENTIAL amenity to Millennial and Young Empty Nesters
Sports	great lawn								Great lawn can be multi-purpose for outdoor ice rink or soccer field in summer
Events	concerts and continuous attraction								Great Lawn for summer events
Connections	Shuttle								Shuttle connection to downtown and Griffs
Other Commercial office					0			Office product is overbuilt, high vacancies and low rents, no new development supported until existing inventory is further absorbed	
Farmers market and local crafts			flexible					Rome has single day per week seasonal market-expand upon local goods/crafts and more to a more year round market	Brand it-link to trails-the Wine to Brew Trail-and theme it differently than Utica
Industrial including R&D					0			Industrial, R&D and related are all the specialty of Griffs and any new development in this sector would only dilute Griffs and with little Griffs growth and ample developable sites ready to go, Woodhaven is not a feasible option	

Figure 39: Woodhaven Draft Program Matrix

To support the program matrix, an Options Testing Matrix was developed to analyze the various real estate programs that were considered in the market analysis. The themed program options, such as multifamily housing, student housing or big box retail, were arrayed according to Live-Work-Play. Each themed program was analyzed according to market, physical and planning criteria. Within the major criteria, sub-criteria were developed. Each sub criteria were given a score of 1 to 5, with 5 being the best, to score each program. The themed programs that scored the highest were ultimately the programs recommended for the Woodhaven Site. The full Decision Matrix can be viewed in the Appendix.

APPENDIX

List of Interviews:

1. Steve Buck, Buck Construction
2. Dean Devito, Prime Companies Contractors
3. Justin Gualtieri, Rome Building Contractors Inc.
4. Andy Breuer, Heuber-Breuer Construction
5. Fred Arcuri, Senior Vice President Planning and Development, Mohawk Edge
6. Chad Lawrence, Deputy Commissioner, Oneida County Airport
7. Management, Griffiss Park Suites
8. Kim Copeland, Hampton Inn Rome
9. Katie, Marketing and Communication, Mohawk Valley Community College
10. Gary Holneck, Marketing, Prescott Glen, New Hartford, NY
11. Daniel Orozco, Senior Living Advisor, A Place for Mom (Heritage at The Plains at Parish Homestead – Oneonta, NY, Brookdale Independent Living – Clinton, NY)
12. **Anthony Ceroy, Vice President Development, KCG Development**
13. **John Verecka, President, CRM Rental Management**
14. **Gillian Conde, Vice President, DePaul Properties**
15. **Franca Armstrong, Dean of Rome Campus, Mohawk Valley Community College**

List of Figures

1. Retail Demographics
2. Planning Area—Riverwalk Village
3. Private Sector Jobs Count
4. Change in Total Nonfarm and Privates Sectors Jobs NYS
5. Number of Non-Farm jobs
6. Unemployment Rates
7. Organizational and responsibility structure for CPI in NYS
8. Turning Stone Casino picture
9. Number of Employees at GBTP 2010 to 2016
10. Demographic Analysis Zip code
11. Demographic Analysis Map, 15 minute Drive Time
12. Demographic Analysis Map, 30 Minute Drive Time
13. Rome Demographics and housing affordability
14. Demographic Snapshot
15. Business Demographics
16. Rome Retail Demographics Analysis, source Data, Nielsen Clarita's 2017
17. Retail demographics and Square Footage Supportable
18. Multi-family Existing Projects
19. Proposed MF Construction in Rome
20. Proposed MF Construction in Utica Market Area
- 20A. Capture for Multifamily Demand at the Woodhaven Site
21. Griffis Employment Trends
22. Estimated Capture of GBTP Employees
- 22A: Single Family Housing Feasibility Analysis
- 22B: Senior Housing Projects near Rome, NY
23. Location Map Rome, Buffalo and Albany Markets
24. Buffalo Vacancy Rates
25. Albany Capital Region Commercial Market Boundaries
26. Albany Market Office Vacancy and Lease Rates
27. GBTP Existing Space Rome Office market
28. Advertised Griffis Available
29. Overall Occupancy and rates
30. Greater Rome Office Space Absorption
31. Office Inventory by Class
32. Northeast hotel trends

- 33. *Smith Travel Research Summary of Data from Selected Hotel Properties*
- 34. *Figure 33: Rome Hotels, data by TWG*
- 35. *Retail Trend Drivers*
- 36. *Retail Space Available in Rome*
- 37. *Rome Malls*
- 38. *Development Comparables*
- 39. *Program Matrix*

Caveat and Limiting Conditions:

The report herein is an analysis of market conditions relating to the Woodhaven Site located in Rome, New York as of Q1, 2017. The report does not predict future conditions nor can I predict future development projects which may or may not come on line and have an impact, positive or negative on the market findings herein. It must also be noted that there are employment factors including job creation for which many developers or planners are considering as a potential capture audience for other projects including housing and retail and commercial office. While our capture estimates are conservative there is no guarantee that other Cities, town or projects may include the same capture audience, which may impact the ability to accurately assess demand.

Testing Matrix (Separate Attachment)

Rome Woodhaven DRAFT

Site Development Options Testing Matrix

Theme	Casino attraction	Entertainment	Local Sports	Authentic Destination	Business and Education	Downtown repopulation	Water and Tourism	Cultural and Education	Office with a new twist	Services and Support	
Criteria	1. Family Resort Casino Inc. hotel and amenities	2. Year Round major sports/entertainment Destination Center	3. City Sports Park (outdoor venue)	4. Year round mixed use Farmers market and craft destination retail center including local micro brewery	5. R&D Park--linked to SUNY	6. Mixed-Use Housing Development--affordable housing and amenities plus retail	7. Eco Tourism and canal tourism center--Inc. boaters services, retail, event plaza	8. Education and cultural zone (Comm. College linked to industry)--including CC expansion with departments catering to business clusters plus waterfront history museum	9. Office/ retail mixed use development--live work lofts	10. Health Care offices/clinic/ senior center	Ranking Criteria (5 best, 1 least attainable)
Economic	1	2	3	4	5	6	7	8	9	10	
Waterfront Development Opportunities	3	3	3	5	2	2	5	2	2	1	linked to waterfront and related activities
Real Estate Market Support	2	4	0	4	2	5	2	3	2	1	needs market support to score well
Job Creation	5	4	1	5	5	2	3	4	3	3	more jobs permanent the better
Site size and configuration compatible with market supportable real estate	2	5	1	5	5	3	5	4	5	3	market linked to site
BOA issues	2	4	5	4	3	1	5	4	2	1	more clean up required for residential related uses
Ability to create critical mass to support future development	4	4	1	4	5	3	4	4	3	2	permanent people on site year round
Positive Downtown Impact from development	3	4	1	5	4	3	4	4	3	2	off site impact
Subtotal	3.0	4.0	1.7	4.6	3.7	2.7	4.0	3.6	2.9	1.9	
Comments on economic	More analysis required to fully understand demand; comparable show primarily supported by local visitors, not a tourism destination	Has ability to create a major destination for fun and play oriented to families all year round and support more events	low impact, nice park--will have limited impact to due short seasons and limited major events	links to local industry, supports jobs growth from existing assets, tourism and destination attraction, supports boating traffic as a reason to stop	best for jobs, intrinsic on link between education and attracting a major high growth, high pay sector	re-populates downtown with more people to use services but must be linked to fed. housing for affordable units and somewhat privatizes the waterfront	oriented to the canal and tourism -bring in spending dollars from all over the north east--but seasonal bent unless able to include a winter attraction	region has low educational attainment and skills in demand in growth industries--this could help support long term business attraction	office is over supplied but housing work loft may have a way to support local ally based industry with incentives	young low income population --new services not in demand at this time	
Physical											
Vehicle access	1	2	5	4	4	4	4	4	3	4	significant traffic or traffic all at once could be difficult to accommodate
Interstate access	5	5	1	5	5	3	3	5	3	3	
Connection to transit	1	2	1	1	1	1	1	1	1	1	Unknown at this time whether transit could be accommodated to reduce congestion
Pedestrian connections	1	3	2	3	2	3	3	3	3	1	Ability to make pedestrian connection with downtown scores higher
maritime connections	4	2	1	5	2	2	5	2	3	1	use links to maritime elements scores best
Land Area to Facilitate Off-street parking	1	2	5	4	4	3	3	4	4	2	limited parking needs scores higher
Site size and configuration fits use	1	4	5	5	4	4	5	4	4	3	optimal sizing fits sites
Subtotal	1.8	2.5	2.5	3.4	2.8	2.5	3.0	2.9	2.6	1.9	

comments on physical	traffic impacts could be significant; critical mass needed may not fit on site	strong contender by no maritime links	no reasons to be located near interstate	has opportunity to spark local business, attract tourists and strong links to maritime	if, if this happens, best in the new jobs and may spark more downtown office growth	waterfront privatization is an issue	good for waterfront but demand but take significant time to develop	needs commitment form educational players	office market weak and privatization of waterfront is an issue	no real reason for being in this location	
Planning	1	2	3	4	5	6	7	8	9	10	
Integration into City and link to downtown	1	3	3	5	4	3	5	4	3	2	blending
Neighborhood concerns	1	4	3	5	5	3	5	5	3	3	activity and crime prevention
Connection/ Potential open space/green areas	1	3	5	4	2	2	4	1	2	1	connections to parks and water
Image ability/asset to City/aesthetics	3	3	3	5	3	3	4	3	3	1	sets right image and tone
Proximity to Downtown uses	3	3	1	3	3	3	3	3	3	3	
Visibility	5	5	1	3	2	2	3	2	2	2	gateway enhancement
Synergy with adjacent properties & uses	1	5	3	4	4	3	4	4	2	1	
Enhance tourism & visitor experience	2	4	1	5	2	2	5	2	2	1	gateway and waterfront
Land availability	1	3	5	5	4	4	5	3	3	2	right sized
Architectural heritage	1	2	2	5	2	1	5	2	3	1	preserves any sig. buildings
Subtotal	1.9	3.5	2.7	4.4	3.1	2.6	4.3	2.9	2.6	1.7	
comments on planning	While this use appears to be tourism oriented, over 70% of visitor to Turning Stone are local plus there are major negative impacts related to crime and addiction in an already struggling area	this is a high impact, complementary service use that could enhance tourism and quality of life	low impact, low cost, with some benefits	jobs, tourism, culture and authentic	jobs but may not need this site to be successful	while populates the area, it may not be the highest and best use	Tourism and major link to maritime is key asset	educational support is needed but not necessarily on this site	fits with concept of downtown core but does not need to be on this site	low population and impacts to traffic and no need to be located here	
Total Ranking	2.2	3.3	2.3	4.1	3.2	2.6	3.8	3.1	2.7	1.8	
	1. Family Resort Casino Inc. hotel and amenities	2. Year Round major sports/entertainment Destination Center	3. City Sports Park (outdoor venue)	4. Year round mixed use Farmers market and craft destination retail center	5. R&D Park--linked to SUNY	6. Mixed-Use Housing Development--affordable housing and amenities plus retail	7. Eco Tourism and canal tourism center--Inc. boaters services, retail, event plaza	8. Education and cultural zone (Comm. College linked to industry)--including CC expansion with departments catering to business clusters plus waterfront history museum	9. Office/ retail mixed use development--live work lofts	10. Health Care offices/clinic/ senior center	5 = highest 1 = lowest